



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Tuesday, 26th January 2016

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Present:

Sir Richard J. Collas, Kt, Bailiff and Presiding Officer

Law Officers

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller)

People's Deputies

St Peter Port South

Deputies P. A. Harwood, J. Kuttelwascher, B. L. Brehaut,
R. Domaille, A. H. Langlois, R. A. Jones

St Peter Port North

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,
R. Conder, C. N. K. Parkinson, L. C. Queripel

St Sampson

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,
P. R. Le Pelley, S. J. Ogier, L. S. Trott

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A. Spruce, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
B. J. E. Paint, J. P. Le Tocq, S. A. James, M. B. E., A. H. Adam

The West

Deputies R. A. Perrot, A. H. Brouard, A. M. Wilkie,
D. de G. De Lisle, Y. Burford, D. A. Inglis

The South-East

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

The Clerk to the States of Deliberation

J. Torode, Esq. (H.M. Greffier)

Absent at the Evocation

H. E. Roberts Esq., Q.C. (H.M. Procureur); Deputy E. G. Bebb, (*relevé à 10h 17*); Deputy M. J. Fallaize, (*relevé à 10h 08*); Deputy D. B. Jones, (*indisposé*); A. R. Le Lièvre, (*relevé à 9h 33*)

Business transacted

Evocation	5
In Memoriam – Former Douzaine Representative Robert Russell	5
Assembly photograph to be taken at March sitting – States’ consent given.....	6
Moneyval evaluation – Statement by the Chief Minister.....	6
Questions for Oral Answer.....	9
Presence of glyphosate in streams and drinking water	9
Funding assistance for the North Show.....	12
Financial assistance for the North Show.....	13
Billet d’État I.....	15
Projets de Loi	15
I. The Firearms (Guernsey) (Amendment) Law, 2016 – Approved	15
II. The Social Insurance (Guernsey) (Amendment) Law, 2016 – Debate commenced	16
Ordinances.....	18
III. The Control of Trade in Endangered Species etc. (Bailiwick of Guernsey) Ordinance, 2016 – Approved.....	18
IV. The Single Euro Payments Area (Guernsey) Ordinance, 2016 – Approved	19
V. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016 – Debate commenced	19
II. The Social Insurance (Guernsey) (Amendment) Law, 2016 – Announcement of voting results – Approved	21
VI. The Registered Plant Breeders’ Rights (Bailiwick of Guernsey) (Amendment) Ordinance, 2016 – Approved.....	22
VII. The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2016 – Approved.....	23
VIII. The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance, 2016 – Approved	24
Statutory Instruments laid before the States.....	26
<p>The Companies (Standard Articles of Incorporation) (Amendment) Regulations, 2015; The Income Tax (Standard Charge) (Amendment) Regulations, 2015; The Driving Licences (Guernsey) Theory Test (Amendment) Regulations, 2015; The Trade Marks (Bailiwick of Guernsey) Regulations, 2015; The Registered Patent Attorneys (Mixed Partnerships and Bodies Corporate) Regulations, 2015; The Registered Patents and Biotechnological Inventions (Derogation from Patent Protection in Respect of Biotechnological Inventions) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Designated Countries and Offices) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Species and Groups) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Information) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Small Farmers) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders'</p>	

Rights (Prescribed Classes of Varieties) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Information Notices) (Bailiwick of Guernsey) Regulations, 2015; The Aviation Registry (Interests in Aircraft) (Commencement) Regulations, 2015; The Aviation Registry (Eligibility) Regulations, 2015; The Air Navigation (Fees) Regulations, 2015; The Companies (Registrar) (Fees) Regulations, 2015; The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015; The Registered Health Professionals Regulations, 2015; The Misuse of Drugs (Modification) Order, 2015; The Registered Health Professionals (Amendment and Commencement) Order, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Discontinuation of Prior Use Exemption) (Bailiwick of Guernsey) Order, 2015; The Financial Services Ombudsman (Eligible Complainants) (Bailiwick of Guernsey) Order, 2015; The Aviation Security (Bailiwick of Guernsey) (Amendment) Direction, 2015	26
XI. Guernsey Financial Services Commission – Election of the Chairman – Drs. Cornelis Antonius Carolus Maria Schrauwers elected.....	27
IX. Measuring Relative Poverty and Income Inequality in Guernsey and Alderney – Propositions carried	28
V. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016 – Debate continued – Proposition carried.....	38
X. Review of States' Members' and Non-States' Members' Pay – Debate commenced	40
<i>The Assembly adjourned at 12.33 p.m. and resumed its sitting at 2.30 p.m.</i>	54
Review of States' Members' and Non-States' Members' Pay – Debate continued – Propositions as amended carried	54
Statutory Instrument laid before the States	84
The Registration of Health Professionals Regulations, 2015	84
Billet d'État V	85
I. Discretionary Financial Penalties under the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 – Propositions carried	85
Billet d'État I	86
XII. Review of the Land Planning and Development (Use Classes) Ordinance, 2007 – Propositions carried	86
<i>The Assembly adjourned at 5.31 p.m.</i>	100

States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCATION

The Greffier: To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Tuesday, 26th January at 9.30 a.m. to consider the Items contained in Billets d'État I, II and V, which have
5 been submitted for debate.

The Bailiff: Deputy Le Lièvre, do you wish to be *relevé*?

Deputy Le Lièvre: Yes, please, sir.

In Memoriam – Former Douzaine Representative Robert Russell

10 **The Bailiff:** Members of the States, you will have been sorry to learn of the death last Friday of former Douzaine Representative Robert Russell, known to everyone as Bob.

Bob spent most of his life as a builder: he first worked for J&S Rabey for 15 years or so, before moving to R G Phillips where he was highly regarded and held senior positions.

15 Like many a Guernseyman, Bob devoted a number of years of his life to serving his Island and his Parish. His service to the Parish of St Martin commenced in 1981 when he was elected as Constable. Three years later he became a Douzenier, and for 12 years from 1988 to 2000 he was a Member of the States, as the Douzaine Representative for St Martins.

20 For most of that latter period, Bob held seats in the Island Development Committee, the Legislation Committee, the Rules of Procedure Committee, and the Prison Board, together with that board's successor the Home Affairs Committee. From 1989 to 1995 he was also a member of the Sea Fisheries Committee.

A former States' Member who knew him well recalls that whilst he was not a frequent speaker, when he did so, his speech was always based on Guernsey common-sense principles.

25 As a Parochial Official, Bob was keen to promote the environment and he was instrumental in planting trees at Moulin Huet.

He leaves behind a widow, June, and their three children, Martyn, Gail and Andrew, to whom we extend our sincere condolences. Will you please rise to honour the memory of Bob Russell.

Members stood in silence.

30

The Bailiff: Thank you very much.

**Assembly photograph to be taken at March sitting –
States' consent given**

The Bailiff: Next, Members of States, I would like to propose that a photograph be taken of this Assembly as it is presently constituted. It has been a while since we have had a photograph. There have been some ministerial changes since the last photo was taken and, of course, there has been a by-election. Particularly as in a few months' time we will be sitting for the last time as an Assembly of 47 Members, it seems to me that it would be appropriate to record this Assembly as it is presently constituted for posterity.

So what I would like to propose is that a photograph be taken in the March sitting, that is the final one of the March sittings. I have had a word with Deputy Dave Jones, as to whether he might be able to attend to be present for that photograph. He has asked me to let Members know that his treatment is going very well, and that he will make every effort to attend for the photograph, although he may not be able to stay very long, and, of course, as you all know he is following States' business very closely, and attending meetings, as and when he can. So it would be very nice if he is able to attend (**Several Members:** Hear, hear.) for a photograph.

I propose that we do it on the first day of the meeting to be convened on 8th March, and Deputy Jones indicated that the afternoon might be better for him than the morning.

So my proposal is that we allow the media to take photographs at 2.30 p.m. on 8th March. Those in favour; those against.

Members voted Pour.

The Bailiff: In that case, we will make the necessary arrangements with the media for that to be done. Thank you very much.

**Moneyval evaluation –
Statement by the Chief Minister**

The Bailiff: Now I call on the Chief Minister, who will make a statement in respect of Moneyval. Chief Minister.

The Chief Minister (Deputy Le Tocq): Thank you, Mr Bailiff.

I am pleased to update the Assembly on the results of an independent evaluation of the Bailiwick of Guernsey's effectiveness in preventing money laundering and combating the funding of terrorism.

The detailed technical evaluation has been under taken by Moneyval. Moneyval is a body of the Council of Europe, based in France, and Guernsey is one of 34 European and other countries, and jurisdictions, that are part of the Moneyval process. Moneyval reports examine both technical measures and, importantly, the effectiveness of measures taken in the legislative, financial, regulatory, law enforcement and judicial sectors, with recommendation made to improve the domestic system. The report, which was published by Moneyval two weeks ago, shows that Guernsey has made good progress against the evolving international standards in these areas, and has surpassed the equivalent International Monetary Fund Report that assessed Guernsey in these areas back in 2010.

In saying this, I am mindful that expectations and assessments by international bodies become stricter, rather than weaker, with the passage of time. We found this to be the case with Moneyval's assessment, where significant focus was devoted in the evaluation of the effectiveness of our anti-money laundering and combating of terrorist financing framework. The report also

identified those areas where Guernsey needs to continue to develop its standards. The report includes excellent ratings and reflects well on the Bailiwick, and in effect says four things.

Firstly, the Bailiwick has substantially strengthened the anti-money laundering and combating of terrorism preventative measures, to which its financial institutions are subject.

80 Secondly, the Bailiwick has in place a range of measure to facilitate various forms of international co-operation.

Thirdly, competent authorities and financial institutions are highly competent, knowledgeable and aware of their obligations.

Finally, co-operation and co-ordination between Bailiwick Authorities is effective.

85 Although the Policy Council leads and co-ordinates Guernsey's engagement with the evaluation of Moneyval, this is very much a Team Guernsey process. Law enforcement, the Law Officers, the Courts, the Guernsey Financial Services Commission, the Alderney Gambling Control Commission, the Income Tax Office, and the Company and Non-Profits Organisation Registries, as well as businesses in Guernsey, have had significant involvement in this, along with the States. It is
90 rewarding for all of the competent authorities in the Bailiwick to know that this independent and detailed technical review confirms that we are a jurisdiction with a mature legal and regulatory system and a firm commitment to playing our part in preventing money laundering and combating the funding of terrorism.

On behalf of the Policy Council, I want to thank every single one of those organisations, as well
95 as the many Guernsey businesses, who gave freely and willingly of their time to support this evaluation. A huge amount of work goes into meeting the highest international standards in preventing money laundering and combating the financing of terrorism. During 2015, for example, Guernsey held the presidency of the Camden Asset Recovery Interagency Network (CARIN). CARIN is a network of practitioners from 54 jurisdictions, and nine international
100 organisations, concerned with all aspects of confiscating the proceeds of crime. The Secretariat is hosted by Europol, and Guernsey is the first non EU jurisdiction to hold the presidency, apart from the USA. The highlight of the CARIN Guernsey presidency was the Annual General Meeting which was held in the Island in October. Around 150 law enforcement and judicial practitioners from over 60 jurisdictions travelled to Guernsey for meetings and discussions to share knowledge, and
105 ways, of improving cross-border identification, freezing, seizure, and confiscation of illicitly acquired assets, further enhancing Guernsey's position in the top tier of jurisdictions committed to asset recovery.

Our Island has a long-standing commitment to meeting international standards. In some cases we lead those standards, for example, we are one of the very few jurisdictions in the world that
110 regulate trust and corporate service providers, we are at the forefront of beneficial ownership information standards in Guernsey, through the regulatory framework and other requirements, and we will also work with the information in the Moneyval evaluation to see how we can enhance this framework.

Permit me to emphasise a point, sir, that I made, more than once, while in Brussels two weeks
115 ago. Some EU Member States are starting to consider how they might put such a framework in place. We have had a framework in place since 2000. Over 15 years. It is important that we continue to show appropriate leadership, and to demonstrate that leadership to those that might not understand what we do in the Bailiwick, and often, just as importantly, what we do not do. That is why, as well as working with developing countries, and multi-lateral institutions on asset
120 recovery, Guernsey remains committed to meeting its international treaty obligations under the UN Convention against Corruption, the OEC Bribery Convention, and the European Convention on Mutual Assistance in Criminal Matters. We adopt UN and EU sanction to ensure our Islands cannot be used as a backdoor for parking or transferring targeted assets. The regulation of trust and corporate service providers, and commitment to meeting international beneficial ownerships
125 standards, our active involvement in CARIN, and now the absolutely first rate Moneyval results, demonstrate that we meet the right global standards and that we are good global citizens.

Thank you.

The Bailiff: Do any Members wish to ask any questions within the context of that statement?
Deputy Soulsby.

130

Deputy Soulsby: Sir, yes.

I welcome the Chief Minister's statement, and the results of the Moneyval evaluation, which is very good. It is specifically about the resourcing and staffing and how they are very well trained, but I did have some concerns when I read the executive summary from the Moneyval review, particularly as the Chief Minister said we have more regulation here than many other jurisdictions. It referenced directors – all directors, even those who have got more than six directorships – being sucked into a licensing regime, and in terms of trust and corporate service providers, where they do not manage trusts and partnerships, those trusts might be sucked into a licensing regime.

So, I would like to hear from the Chief Minister whether he will be willing to robustly challenge those comments.

140

The Bailiff: Chief Minister.

The Chief Minister: We certainly are evaluating, for example, a response to Moneyval, and in fact, there will be a review in 18 months' time, and on that basis, we will certainly challenge those areas – not only those areas, in fact, that Deputy Soulsby has mentioned, but other areas where we feel that our system and our methodology is proportionate and effective in a jurisdiction the size of Guernsey.

145

The Bailiff: Deputy Gollop.

150

Deputy Gollop: Bearing in mind we have generally had a first-rate result, and the Chief Minister has quite rightly made the point, that there are other countries within the European Union that might not have got to the point where we have got in many respects, I kind of reiterate the last questioner's point, as to why we need any increase in the degree of financial regulation and supervision that we need. Because if we are meeting, and even surpassing, current global and European standards, surely that is enough to allow our industry to flourish, legally.

155

The Bailiff: Chief Minister.

160

The Chief Minister: Deputy Gollop raises good points, and these are points that are regularly discussed. As I said in my statement, the focus changes from time to time on various aspects of the regulatory framework. Countering funding of terrorism and anti-money laundering is the current focus, and as a result of that, there are rising standards around the world, some of which we need to recognise, others have caught up with, or in fact improved upon those cases. We always liaise with business, and the idea is to find a proportionate, and effective, way of meeting those standards. It is not our intention to be the leaders and the top of the pile in every instance, but we are glad that Guernsey has shown leadership in key areas, and will continue to do so in a proportionate manner.

165

170

The Bailiff: I see no one else rising, so we will move on to Question Time.

Questions for Oral Answer

PUBLIC SERVICES DEPARTMENT

Presence of glyphosate in streams and drinking water

175 **The Bailiff:** The first questions are to be asked by Deputy De Lisle of the Minister of the Public Services Department. Deputy De Lisle.

Deputy De Lisle: Sir, thank you.

180 I would like to ask the following questions to the Minister of Public Services, with respect to concerns over the increased presence of glyphosate in Island streams, and our drinking water. The first question is: which Guernsey streams have been polluted by the harmful herbicide glyphosate, and when did monitoring of the herbicide begin?

The Bailiff: Deputy Ogier, the Minister, will respond.

185 **Deputy Ogier:** Thank you, sir.

As part of Guernsey Water's routine testing, it has detected the presence of glyphosate in very small quantities within our streams. This does not present a risk to public health and does not compromise the quality of our drinking water. The herbicide is present in both commercial and domestic weed killer products, such as Roundup, which are used in many countries. It is not an uncommon occurrence to be found in streams, and is therefore being monitored, as in other jurisdictions.

190 Regular monitoring for the presence of various compounds is undertaken at appropriate intervals, according to a risk based assessment. Water is then treated to remove these compounds, before it is used as drinking water. Glyphosate is therefore removed from our drinking water.

195 In October 2015 the first round of sampling was introduced as a measure to test the level of the presence of this compound in the Island, and the next round of sampling will take place in the first quarter of this year. The Island's streams where samples have shown minimal traces are: Le Beau Valet, Marais, Padin, Saints, Talbot, Mare de Carteret, Moulin Huet, Cobo, La Vrangue, Le Choffin, Le Fauxquets, Douit du Moulin, Le Clerc, Petit Bot East, Charroterie, Vale Pond and the Petit Bot West.

The Bailiff: Deputy De Lisle to ask a supplementary.

205 **Deputy De Lisle:** Can I ask a supplementary on that, sir? (**The Bailiff:** Yes.)

That appears to be just about everywhere. (*Laughter*) I take it that the water in storage at St Saviour's Reservoir and the Longue Hougue Reservoir have been tested for the chemical also? Is that the case?

210 **Deputy Ogier:** I am afraid I do not have that information in front of me. I would presume so, but I will check and refer to Deputy De Lisle.

Deputy De Lisle: And a further supplementary on that, sir, if I may.

215 Has the herbicide been used by the States as a weed spray on footpaths and roadways, and is the practice still ongoing?

The Bailiff: I am not sure that arises from the answer. Deputy Ogier do you have ... ? No, you do not have that.

220 **Deputy Ogier:** I do not have the answer to that. I can find out and revert back.

The Bailiff: Deputy De Lisle.

225 **Deputy De Lisle:** Can I ask my second question, sir?

The Bailiff: Yes.

Deputy De Lisle: What levels of the chemical have been recorded by stream samples taken for analysis, and from what streams?

230 **The Bailiff:** Deputy Ogier.

Deputy Ogier: Levels of the chemical found in the streams mentioned, ranged from 24 parts per billion, to 477 parts per billion. These measurements are before water is treated for drinking purposes, after which there are no detectable levels of the chemical present.

The Bailiff: You have a supplementary question arising out of that answer?

240 **Deputy De Lisle:** Yes, sir, I have.
What streams have the highest levels, and are they all in one part of the Island?

The Bailiff: I am not sure that arises from the answer.

245 **Deputy Ogier:** That definitely does not arise from ... that is not mentioned in the question and answer whatsoever, sir.

The Bailiff: Deputy De Lisle.

250 **Deputy De Lisle:** Well, can I ask whether the Minister is aware of the findings of Dr Robin Mesnage –

The Bailiff: Does that arise –

255 **Deputy De Lisle:** – of King's College, London? Yes, it is relevant, sir. In July 2015, showing that the chemical traded as Roundup is a 1,000 times more toxic than glyphosate alone?

The Bailiff: Deputy De Lisle, the question is not whether it is relevant, but supplementary questions can only be asked if they arise out of the answer that has been given. That does not seem to be –

260 **Deputy De Lisle:** I understand that, sir. *(Laughter)*

The Bailiff: It does not seem to me that that one does. *(Laughter)*

265 **Deputy De Lisle:** I think it is important that –

The Bailiff: Well, in that case you can ask it as a question in the next Assembly if you wish to do so. Once you have given sufficient notice.

270 **Deputy De Lisle:** The third question, sir, is what specific maximum permissible levels standard for glyphosate in water in Guernsey is used to test whether levels in streams and drinking water meet safety standards?

The Bailiff: Deputy Ogier.

275 **Deputy Ogier:** There are currently no advisory levels set for glyphosate in streams, as the quantities are considered too small to require guidelines. The standard Guernsey Water uses for the chemical in treated water is 100 parts per billion, which is in line with the UK Water Industry Standards.

280 As I have already explained, testing has shown no detectable level of this chemical in our drinking water. Therefore what is absolutely without question is the levels found in streams are not causing an issue, as Guernsey Water has effective treatment processes to take the compound out of drinking water at the treatment centres. I am able to reassure the Assembly and Islanders that our tap water is perfectly safe to drink. *(Laughter)*

285 **The Bailiff:** Deputy De Lisle, do you have a proper supplementary –

Deputy De Lisle: Can I ask a supplementary on that, sir?

The Bailiff: If it is a proper supplementary, yes.

290 **Deputy De Lisle:** The Minister says that the water is safe. Well, it is found in the raw water supply here, but in that the streams and storage reservoirs contain the chemical, and test results have shown increasing levels of the chemical, the environment is contaminated by glyphosate, or Roundup, our cows are drinking the water. Is it in the milk, in the fish in the reservoir, and has our Department tested the milk?

The Bailiff: That does not arise from the answer given.

300 **Deputy De Lisle:** But what is the scale, sir? What is the scale of the damage this chemical is doing to our health?

The Bailiff: Again that does not arise from the answer given.

305 **Deputy Ogier:** I do face a number of questions in the Assembly, and what is a regular occurrence is that some extremely technical questions are asked, and then the supplementaries go off the reservation. *(Laughter)* The purpose is to ask questions and illicit answers, and to ask supplementaries based on those responses. To ask for new information at this stage simply is just not the way to go about things.

310 I am happy to provide answers to these extremely important questions. If they are asked, I will provide some very technical answers to them. *(Interjections)*

The Bailiff: Deputy De Lisle.

315 **Deputy De Lisle:** Sir, I thank the Minister for his indulgence. *(Laughter)*
If I may go on to my fourth question: are restrictions going to be placed on the use of glyphosate, sold under the trademark Roundup, given the increased levels of the chemical found in local streams, and worldwide concern about glyphosate toxicity to public health?

320 **The Bailiff:** Deputy Ogier.

Deputy Ogier: Based on the evidence of the current levels of this chemical, it is not intended to place restrictions on the use of glyphosate at this stage. If the levels increase to a point to which it poses a risk, then there are sufficient regulatory powers in place to ban the use of this substance, if deemed necessary.

325 Guernsey Water is working closely with the Office of Environmental Health and Pollution Regulation to monitor and review the situation ongoing. When this chemical was detected in our streams in small quantities, Guernsey Water and the Offices of Environmental Health informed the public. This was in the interests of raising awareness about the use of weed killers, and to advise on alternative methods of weed control. Whilst drinking water treatment plants can, and do,
330 remove this chemical, we would not wish to overload the system with widespread use.

The Bailiff: Do you have a supplementary that arises out of that answer?

Deputy De Lisle: Yes, I do, sir.

335 With respect to the fact that Deputy Ogier speaks of not placing restrictions on the use of the chemical at this stage, but it has been identified as a carcinogen, sir, directly related to cancer by the World Health Organisation's International Agency for Research on Cancer. It has also been found to be bio-accumulative in women's' bodies over time, and found in breast milk in American women. Surely, and I ask, should that not be enough warning for Guernsey Water, and the Water
340 Regulator, to take immediate action to ban the substance from use Island wide?

The Bailiff: Deputy Ogier.

Deputy Ogier: There are many chemicals which are carcinogenic, which are also not found in
345 our drinking water. Glyphosate is classed as probably carcinogenic but I can only reaffirm that there are no traces of this chemical found in our drinking water, and it is perfectly safe to drink.

CULTURE & LEISURE DEPARTMENT

Funding assistance for the North Show

The Bailiff: We will move on to the next question to be asked by Deputy Gollop of the
350 Minister of the Culture & Leisure Department.

Deputy Gollop: Thank you very much, sir.

Is the Culture & Leisure Department able to sponsor, underwrite the risk, grant, or otherwise assist the Northern Agricultural and Horticultural Society to provide the North Show this year, to
355 ensure this prized part of local culture and folk popular arts continues?

The Bailiff: The Minister, Deputy O'Hara will reply.

Deputy O'Hara: Sir, the Culture & Leisure Department was a little surprised to receive this
360 request as a Rule 5 question, because it has not been previously approached by the organisers of this year's event, or indeed Deputy Gollop. As Members may be aware the Department does have a budget, albeit relatively small, that it is able to use to support local events that it considers will serve the objectives as set out in its mandate. In recognition of the business planning that is required for many events, I can confirm that most of that budget for 2016 will have already been
365 allocated.

However, the Department is always reviewing the way it spends its budgets, to ensure value for money. Whilst, there is unlikely to be any significant funding available this year, I can confirm that,

370 if approached by the organisers, we would consider whether any support might be provided in future years, but only if the Department was convinced that their specific proposal presented a more effective and efficient use of resources in pursuance of its mandate.

The Bailiff: Deputy Gollop.

375 **Deputy Gollop:** In thanking the Minister, I have to admit, I possibly voted against giving a subsidy when I was on the board, but (*Laughter*) times change, and my point is, I am sure from the fairly positive tone of this response, that you would be prepared to meet with any interested parties, or indeed liaise with Commerce & Employment Department, as you may hear in a minute.

380 **The Bailiff:** Deputy O'Hara.

Deputy O'Hara: Sir, we meet with lots of people all the time, and the organisers, as I have said before, of the North Show ... we would gladly meet with them, and we would meet Commerce & Employment, and talk it through. Members will know that in the past the States did, in fact, support various shows, and that is going back to the old Tourist Board days when I was there, and in fact, came through as well there have been one or two application in the past in connection with this particular show that we have looked at. I will not say why they were objected to, but they were, it is as simple as that. But, just to confirm that we are open to negotiation, and talk with anyone. So we are very happy to. I hope that answers your question.

390 **The Bailiff:** Do you have another supplementary, or do you wish to move on to your next question to the Minister? Nobody else is rising.

Deputy Gollop: On, I think.

COMMERCE & EMPLOYMENT DEPARTMENT

Financial assistance for the North Show

395 **The Bailiff:** The next question is to be asked by Deputy Gollop of the Minister of the Commerce & Employment Department.

400 **Deputy Gollop:** Can the Commerce & Employment Department offer any financial or other support from the events budget to underwrite the 2016 Battle of Flowers / Two-Day North Show, given the uncertainty announced, and the real benefits the annual show gives to tourism, visitors, awareness films about Guernsey, and the visitor economy?

The Bailiff: Deputy Stewart will reply.

405 **Deputy Stewart:** Mr Bailiff, the allocation of planning for events sits within Marketing and Tourism. That is then determined by the Events Group Committee, which comprises of four political Members: two from Commerce & Employment, and two from Culture & Leisure Board. They are supported by an officer from each Department.

410 The four main events groups – Floral Guernsey, the Arts Commission, the Sports Commission and Taste Guernsey – are invited to apply for fund allocation from the agreed 2016 events budget, which is £170,000. All applications are appraised, and then scored against five criteria, and fund allocation is based on the strength of the application and scores awarded. The five criteria are: does the initiative improve the on-Island experience with visitors, thereby increasing advocacy and

loyalty; prompt consideration of a visit to Guernsey by achieving significant off-Island media coverage; provide the primary reason to book a holiday and to visit Guernsey; generate incremental visitors to Guernsey; or support Visit Guernsey's core marketing campaigns?

The Department has provided contacts to the Battle of Flowers Committee, so they can discuss with one or more of the sub-groups if they meet the criteria set, whether they can submit a request for funding consideration.

The Department has no other budget for funding, co-funding or providing grants for events.

The Bailiff: Deputy Gollop.

Deputy Gollop: In thanking the Minister for a full reply I would, not question, but identify, two of the five considerations – prompt consideration of a visit to Guernsey by achieving significant off Island media coverage and initiate, generate, incremental visitors to Guernsey – were achieved when the comedian Graham Fellows, as his *persona* John Shuttleworth, did a comedy video on the Island that was broadcast on Sky, I appeared in the film, but so prominently did the Battle of Flowers. I therefor wish to ask the Minister does he think, as I do, that at least four if not all five of these could be satisfied by elements of the North Show's Two-Day Carnival?

Deputy Stewart: Mr Bailiff, I think in reply to that, to be fair, because the Events Group will be meeting over the next month, I would not want to pre-judge any applications. So, applications will be made against those criteria, and then the political Members and officers will sit and look at how and score how each potential beneficiary of that £170,000 fund, how that will be allocated. So, at this point I think it is a matter that if the North Show Committee wished to have some of that events budget, that we will obviously help them with the application, but in this Assembly I would not want to pre-judge about how they may, or might not, meet the current criteria.

Deputy Gollop: In thanking the Minister, I must say admit I have not had any dialogue (**A Member:** Microphone!) myself with the North Show, so I am in no sense representing them in any shape or form, but clearly the Minister, you are saying the Commerce & Employment Department has an open door to look into these questions as soon as possible.

The Bailiff: Deputy Stewart, and then I will call Deputy Luxon to ask a supplementary.

Deputy Stewart: Well, I will stand up and give way, if Deputy Luxon wants to –

The Bailiff: No. The give way rule does not apply in Question Time.

Deputy Stewart: Yes, I can confirm, of course there are the traditional people that benefit from the events fund, which I mentioned, four main groups including Floral Guernsey and Taste Guernsey, but our door is open to anyone that can fulfil those criteria, and the Events Group will sit and mark them against those criteria and the amounts of money that they have asked for.

The Bailiff: Deputy Luxon, do you wish to ask a supplementary question?

Deputy Luxon: Yes, sir.

Would the Minister agree with me that Deputy Gollop should join the North Show fund raising committee and that would be far more helpful than asking these questions?

Thank you, sir.

The Bailiff: Deputy Stewart.

465 **Deputy Stewart:** Well, I think he can probably get us some off-Island publicity, sir, so I think he would make a very good member.

The Bailiff: No-one else is rising.
We will move on, Greffier, to legislation.

Billet d'État I

PROJETS DE LOI

I. The Firearms (Guernsey) (Amendment) Law, 2016 – Approved

Article I

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Firearms (Guernsey) (Amendment) Law, 2016", and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

470 **The Greffier:** Billet I – Article I – The Firearms (Guernsey) (Amendment) Law, 2016.

The Bailiff: Is there any request for any clarification or any debate?
Deputy Brehaut.

475 **Deputy Brehaut:** Yes, sir.

Maybe what is not clear to me is the manner in which a number of people over the years, I may be one of them, have acquired things like air rifles and air pistols. These things you have had for years and years, you have never used them. When I grew up, an air pistol was considered really something of a toy. When you ran out of pellets, you then simply put grass darts in it and fired them at everyone.

480 But I do realise they can be dangerous. What I need from the Minister is some assurance that there will be a proportionate response to any young person, child, adult, carrying an air pistol, and that if we are going to have a catch-all of firearms, a distinction would be made between someone carrying a firearm that is potentially extremely dangerous, and an air pistol which is less so.

485 I have concerns, for example, children innocently clowning around with an air pistol or an air rifle to then have, effectively, an armed police response. No, when I was a child down Saints Bay fishing, it was quite common to take your air pistol or your air rifle with you and, dare I say, lark around with it. I appreciate they are dangerous, but I would not want a disproportionate response to some young people, who really do not have insight, and they are not caught in this catch-all firearms legislation.

490 Thank you.

The Bailiff: I understand it will be the Deputy Minister replying to any debate.

Does anybody else wish to debate this legislation? No.

495 Deputy Quin then, Deputy Minister.

Deputy Quin: Thank you, sir.

500 What Deputy Brehaut is describing now is currently illegal, the discharge of an airgun in public places. The only change in the Law being proposed here is that currently you cannot discharge an air rifle in a public place, as I have just said. Under this new Law the Chief Officer of Police would then be able to license you to use that for pest control. There is no attempt at all to stop youngsters from air rifle clubs, pistol clubs. The figure in the Billet is in fact, 12ft lb for air rifle, anything over that would be classed as dangerous. I have one below 12ft lb – it is quite adequate.

I can see what you are saying, because like you, I used to take my airgun down –

505 **The Bailiff:** Through the Chair.

Deputy Quin: – Petit Bot, which was totally illegal, but we did not know at the time. Don't arrest me, please. *(Laughter)*

510 There is no attempt – it is under the age of 18 years, which the Police asked for, because the majority of problems that we had were for youngsters, for the very reasons you said. Air rifle clubs, the children or youngsters under the age of 18 can carry their weapons from their home to the club, use in the club and back, because they have a reasonable excuse for having that with them, but a lad in the High Street, walking round with an air rifle, or an air pistol, in my opinion, does not have a reasonable excuse.

The Bailiff: Thank you.

We come to vote then on the Projet de Loi entitled Firearms (Guernsey) (Amendment) Law, 2016, to be found at pages 1 to 34 of the brochure. Those in favour; those against.

Members voted Pour.

520 **The Bailiff:** I declare it carried.

Deputy Fallaize, do you wish to be *relevé* before we move on?

Deputy Fallaize: Yes, please, sir. Thank you.

II. The Social Insurance (Guernsey) (Amendment) Law, 2016 – Debate commenced

Article II

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Social Insurance (Guernsey) (Amendment) Law, 2016", and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.

525 **The Greffier:** Article II – The Social Insurance (Guernsey) (Amendment) Law, 2016.

The Bailiff: Any requests for clarification or debate?

Yes. Deputy De Lisle.

Deputy De Lisle: Yes, sir.

530 I find the explanatory memorandum is quite short, with respect to this, sandwiched between hefty explanatory memoirs for Firearms and Endangered Species. Can the Minister briefly review what this means for young people – let's say those born in the 1970's and 1980's? Will they be entitled to retirement benefits, and health service benefits, and when will they be entitled to that? Given the current lifespan of individuals in the Bailiwick, will this not mean that fewer will ever

535 reach the age of retirement and receive benefits? It all appears to me to be very *draconian* in
moving to 70, because other jurisdictions have not gone this far. In fact, some at 67 perhaps have
gone to that point but not to 70. I just worry that people currently have difficulty in finding
employment after they leave their jobs at 60, and many of the banks, of course, have that as a
540 retirement age. Going to 70 does that not mean they will be supported through unemployment
insurance, and how will that work?

I would like the Minister just to indicate the impact to Social Security of these changes, and
also to people born in the 1970's and 1980's?

A Member: Hear, hear. (*Interjection and laughter*)

545

The Bailiff: Any further debate?

Deputy Langlois, are you able to reply?

Deputy Langlois: Thank you, sir.

550

Sir, I would refer Deputy De Lisle to ... The Ordinance you have in front of you is simply the
implementation of a decision made after quite a lengthy debate, during which all aspects of the
extension of States' pension age ... and I hasten to add that that does not automatically link with
retirement age, as I can prove by standing here. The State pension age will be extended, and will
gradually extend to the age of 70. The lengthy debate took place, all of the questions which were
555 posed in the only speech here were debated, and then I believe that the Assembly passed that by
quite a substantial majority. In fact, that was only extending it from 67 to 70, because we extended
it to 67, I think, six years ago, but I could be wrong on that particular year.

555

I would also refer Deputy De Lisle to open the legislation Billet, and have a look at it, because
actually on pages 35 and 36 there is an extensive table, albeit I must admit it is in small print and
560 we do not like putting things in small print in Social Security, because it can lead to
misunderstandings. It is in small print, but it does actually say exactly the birthdays between which
State pension age will be set according to when you were born, and that refers to the age range
that he was talking about. So, I would commend Members to simply approve this.

560

With regard to the business of working longer, I will address that because that continues to be
565 a matter of concern, and it was always going to be a concern when the original debate was held.
The world is changing, the average life expectancy is still increasing, in broad terms, there are
occasional differences in local statistics, but in broad terms the average life expectancy is
increasing, and the simple fact is that employers have a huge responsibility here to tackle the
issue of longer working lives. I am very pleased to be able to tell the Assembly today that I know
570 that the first project meeting, with regard to the States as employer, took place last week between
a project group, covering all States' employees, to start work on that, despite the fact that even
the extension of two months of State' pension age does not happen for another four years yet. So
I think all of the angles which were covered in this short debate have been tackled before, and the
die is cast.

570

575 So, please approve the regulations as they are in front of you.

The Bailiff: The *Projet de Loi* entitled Social Insurance (Guernsey) (Amendment) Law, 2016 is to
be found on pages 35, 36 and 37. Those in –

580

Deputy Lester Queripel: Sir, can I have a recorded vote, please?

The Bailiff: You may have a recorded vote.

It is a recorded vote on the *Projet de Loi* entitled Social Insurance (Guernsey) (Amendment)
Law, 2016.

585

The Greffier: The voting starts in the West.

There was a recorded vote.

590 **The Bailiff:** Deputy Bebb, do you wish to be *relevé*? You are too late for this vote, but you will be ready for the next one.

Deputy Bebb: Yes, please, thank you.

595 **The Bailiff:** I wonder, while those votes are counted, shall we perhaps move on with the further Ordinances. It may mean people may remain in suspense for a bit longer, but we will move on with the Ordinances. *(Laughter)*
Greffier.

ORDINANCES

III. The Control of Trade in Endangered Species etc. (Bailiwick of Guernsey) Ordinance, 2016 – Approved

Article III

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled “The Control of Trade in Endangered Species etc. (Bailiwick of Guernsey) Ordinance, 2016”, and to direct that the same shall have effect as an Ordinance of the States.

600 **The Greffier:** Article III – The Control of Trade in Endangered Species etc. (Bailiwick of Guernsey) Ordinance, 2016.

The Bailiff: These are Ordinances laid before the States, rather than for debate, according to the front page of the brochure. *(Interjection)* Yes. I think the Agenda is wrong, for which I apologise. So these are ordinances laid before the States, and there has been no motion to annul them, so if you could just call them Greffier.

605 **The Greffier:** Article IV – The Single Euro Payments Area (Guernsey) Ordinance, 2016; Article V – The

610 **The Bailiff:** Is it correct? Are these Ordinances laid before the – is the front page of the brochure correct, Madam Comptroller? Is the booklet wrong, and the Billet correct? I think the booklet is wrong isn't it? *(Interjection)* I think these are not simply being laid before the States, these are being voted on.

615 So, sorry Greffier, we will go back to Article III, which was the Control of Trade in Endangered Species etc. (Bailiwick of Guernsey) Ordinance, 2016. Is there any request for clarification or debate? No. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.
The next one Greffier.

**IV. The Single Euro Payments Area (Guernsey) Ordinance, 2016 –
Approved**

Article IV.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Single Euro Payments Area (Guernsey) Ordinance, 2016", and to direct that the same shall have effect as an Ordinance of the States.

The Greffier: Article IV – The Single Euro Payments Area (Guernsey) Ordinance, 2016.

620

The Bailiff: It is at pages 116 – 192 of the brochure. Any request for clarification or debate? Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**V. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016 –
Debate commenced**

Article V

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2015", and to direct that the same shall have effect as an Ordinance of the States.

The Greffier: Article V – The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016

625

The Bailiff: Pages 193 to 226. Any request for clarification or debate? Deputy Gollop.

Deputy Gollop: Yes, I certainly want to flag this up as a major step forward, I think, in equality and progressive family rights, and we need the community to be aware of that. But this is a change for employers to respect, and recognise, with both the maternity leave and the optional maternity leave.

630

There was one point of clarification though. I note within the Ordinance, it may be the Comptroller could help, it mentions that an employer should not be permitted to allow the mother of a new born baby back within a fortnight. Now, that is obviously to protect the health of the mother, and to prevent exploitation or a lack of a bond, but I wondered how strictly that would be enforced, because we all know of employed people and indeed self-employed people who answer an email, or pick up the phone, or want to do things, apart from being a mother, and so I am not quite sure what that will involve legally.

635

640

The Bailiff: Madam Comptroller, are you – ? I am not sure it is something you can answer but ...

The Comptroller: It is a little difficult to speculate, because obviously whatever happens in relation to any potential contravention of that section will be fact specific, so it will very much depend on the particular circumstances. A phone call may ... you are absolutely right that the

645

650 whole point of the section is to protect the health of the mother, and if there was a graduated level at which employment was thought to be undertaken, it would be almost impossible to enforce. So, it has got to be a strict statement, I really would not want to speculate further because it will literally depend on what happens at the relevant time, but it is to protect the mother and it is an important and a fairly standard requirement.

The Bailiff: Is there any further debate? Deputy De, Lisle.

655 **Deputy De Lisle:** Can I ask a further point of clarification, sir?

There is something new in here, with respect to the partner of an employee who has given birth, and they, I think I understand, are given two weeks maternity support leave. Now, is the full maternity leave also applicable to them, should the family decide? I would like some clarification with regard to that. I mean, what exactly are the rights, through this, for the partner?

660

The Bailiff: Deputy Soulsby, did you have something?

Deputy Soulsby: Sir, yes.

665 I understand there have been some concerns, I think through Chamber about the absence of a clear direction on entitlements during that extended leave period, and I wondered whether any actions have been taken on that or whether that loophole will be dealt with later this year.

The Bailiff: I do not know who wishes to respond, whether it is the Comptroller or the Minister? No-one else is rising. Minister do you wish to reply? Deputy Stewart.

670

Deputy Stewart: I do not think I can answer that question at the moment?

The Bailiff: In relation to partners or the ...

675 **Deputy Stewart:** No, I do not think I am able to give a definitive answer to the States on that particular question, Mr Bailiff.

The Bailiff: Madam Comptroller, do you wish ... ?

680 **The Comptroller:** It may assist, the provisions on the maternity support leave are found in section 11 of the Law, and it does make ... there is a condition attached before the maternity support leave can apply, but it is set out quite clearly there that if the partner has been continuously employed for not less than 15 months, maternity leave, maternity support leave is available, and it is set out fairly clearly in that section.

685 I have nothing further to add on that particular point.

The Bailiff: Are you able to answer Deputy De Lisle's question?

The Comptroller: I was hoping that was addressing it.

690

The Bailiff: Oh, that was the answer to that one – I thought you were answering Deputy Soulsby question.

Deputy De Lisle: Sir, I think my question went further than that.

695

The Bailiff: Yes.

700 **Deputy De Lisle:** It asked whether the full amount of additional maternity leave, in other words the 12 weeks, and the whatever it is, 26 weeks were available to the partner if the family so desired. Now if we cannot answer that, sir, then I just wonder whether we should be voting on this.

705 **The Bailiff:** Do you wish to have time to consider this and perhaps come back to this – or are you able to answer that?

710 **The Comptroller:** It would be helpful to be able to consider it further, sir, because the maternity support leave only applies where the employee is entitled to basic maternity leave, so there are a number of other aspects to this, but it depends whether it is necessary now, or I can have a quick discussion with the Minister, but I would need some further time, sir.

The Bailiff: Right. Well, Members, sorry, Deputy Soulsby.

715 **Deputy Soulsby:** Yes, I would appreciate that for the answer to my question. I did have discussions with officers at the time, and I was hoping that the Minister might have given more information.

Thank you.

720 **The Bailiff:** I suggest then that we perhaps come back to this later. Move on with some other legislation. Madam Comptroller.

The Comptroller: Yes, sir. Can I just ask Deputy Soulsby for her indulgence: could she just repeat the question so I have got it absolutely clearly, please?

725 **Deputy Soulsby:** Yes. It concerns the mothers' entitlement during that extended leave period. At the moment the legislation does not say anything about that, and in that vacuum there are concerns about the uncertainty to what the mothers are entitled to.

The Comptroller: Thank you.

730 **The Bailiff:** Well, Members I propose then that we come back to this Article in due course, when we are able to answer to those questions.

II. The Social Insurance (Guernsey) (Amendment) Law, 2016 – Announcement of voting results – Approved

Carried – Pour 38, Contre 3, Ne vote pas 1, Absent 5

POUR

Deputy Perrot
Deputy Brouard
Deputy Wilkie
Deputy Burford
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean

CONTRE

Deputy De Lisle
Deputy Lester Queripel
Deputy Laurie Queripel

NE VOTE PAS

Deputy Luxon

ABSENT

Deputy Bebb
Deputy Ogier
Deputy Trott
Deputy David Jones
Deputy Adam

Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Parkinson
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Le Pelley
Deputy Fallaize
Deputy Lowe
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James

735 **The Bailiff:** Before we move on, I can announce the result of the voting on Article II, which was the Projet de Loi entitled 'The Social Insurance (Guernsey) (Amendment) Law, 2016'. There were 38 votes in favour, with 3 against and 1 abstention. I declare it carried.

We will move on then, Greffier, to the Registered Plant Breeders' Rights Ordinance.

**VI. The Registered Plant Breeders' Rights (Bailiwick of Guernsey)
(Amendment) Ordinance, 2016 – Approved**

Article VI

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Registered Plant Breeders' Rights (Bailiwick of Guernsey) (Amendment) Ordinance, 2016", and to direct that the same shall have effect as an Ordinance of the States.

The Greffier: Article VI – The Registered Plant Breeders' Rights (Bailiwick of Guernsey) (Amendment) Ordinance, 2016.

740 **The Bailiff:** Pages 227 and 228. Any requests for clarification, or debate? No.
We vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

VII. The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2016 – Approved

Article VII

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2016", and to direct that the same shall have effect as an Ordinance of the States.

745 **The Greffier:** Article VII – The Housing (Control of Occupation) (Amendment of Housing Register) Ordinance, 2016.

The Bailiff: Pages 229 and 230.

Yes. Deputy Hadley.

750

Deputy Hadley: Sir, at its July 2015 meeting the States passed a Resolution to allow three new dwellings on the site of the former Salerie Inn to be inscribed in Part A of the Open Market Register and this Ordinance today results from that Resolution.

755 But, sir, there are two small changes that ought to be brought to the attention of the Assembly. The first is that at the developer's request, the period of time during which the inscriptions can be carried out has been extended from six to 12 months, and the Housing Control Law allows for flexibility over the inscription period in Ordinances such as this. The longer period is merely a reflection of the fact that property sales have slowed in recent times, and so it affords the developer a longer window of time within which to sell those units, and also to carry out the transactions necessary to acquire and reregister an equivalent number of Open Market dwellings elsewhere in the Islands.

760 The second change is a very minor change to the addresses attached to these units with the word apartment now appearing alongside the number of each unit.

765 So, sir, as these changes do not represent a material deviation from the Resolution, I hope the Assembly will approve the Ordinance today.

The Bailiff: Deputy Brehaut.

770 **Deputy Brehaut:** Sir, I tend to oppose these types of proposals when they come to the States, and just to outline my concern again, we do not actually quite readily understand what is happening with the Open Market. Open Market houses for some people mean farm houses, merchant houses, town houses, Georgian houses, and we keep adding apartments to the Open Market. We do not quite understand what impact that has on the whole Open Market.

775 So, I appreciate I will be the only person voting against, but that is to explain my rationale as to why I am opposing this Ordinance.

Thank you.

The Bailiff: No-one else.

Deputy Hadley as the Deputy Minister, do you wish to reply to that?

780

Deputy Hadley: Only, sir, that in general when properties are de-registered, these are then sold on the Local Market, so this is an opportunity for more housing to be available on the Local Market, which is why these Resolutions are supported by the Housing Department.

785 **The Bailiff:** We vote then on the Ordinance, pages 229, 230. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**VIII. The Income Tax (Guernsey) (Approval of Agreement with Bulgaria)
Ordinance, 2016 – Approved**

Article VIII

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance, 2016", and to direct that the same shall have effect as an Ordinance of the States.

The Greffier: The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance,
790 2016.

The Bailiff: The Minister, Deputy St Pier.

Deputy St Pier: Sir, I think it is worth just saying a few words about this piece of legislation,
795 because Members may remember that this was before the Assembly in September and the
Department asked that it be withdrawn at that time, and so I just wish to update Members on why
it has been represented at this time.

Bulgaria, of course, is one of the EU Member States which had included Guernsey in its
published tax lists, as a consequence of which Guernsey featured in a table of perceived non-
800 cooperative jurisdictions which, of course, was published by the European Commission in the
middle of last year. As Guernsey have signed a tax information exchange agreement with Bulgaria,
we attempted to establish that that level of co-operation was sufficient to remove Guernsey from
the Bulgarian list, and that issue had not been resolved by last September, which was when the
States was being asked to consider the Ordinance, which would have had the effect of bringing
805 the TIEA into force from our own perspective. So it was on that basis that I asked the Ordinance
be withdrawn from the September Billet. But things have moved on substantially since last
September. Firstly, of course, the Commission's table has been revised, and Guernsey is no longer
described in it as non-cooperative. In addition, Bulgaria has itself now ratified the TIEA.

Finally, Bulgaria has now also itself signed the Multi-Lateral Convention on Mutual
810 Administrative Assistance in Tax Matters, and the Multi-Lateral Competent Authority Agreement
related to the automatic exchange of information in tax matters, both of which Guernsey already
participates in, and it is now understood that Bulgaria intends to ratify the Convention, and the
Agreement, before the end of March. Once this has been done Guernsey will immediately be
removed from the Bulgarian tax list, and the Bulgarian Minister of Finance has confirmed that in a
815 letter to me a couple of weeks ago.

So, as a consequence, further delaying the ratification of the TIEA in Guernsey seems
unnecessary and the Ordinance is before the States today for approval.

Since the listing of Guernsey in June 2015, there has also been contact with all the other
Member States who had Guernsey on the National List, and this seems as good an opportunity as
820 any, sir, in the context of this legislation, to update Members on that. I know that there has been
some information, but this brings it all together in one place. As of today Estonia has withdrawn
its black list completely. Italy no longer has a controlled foreign company (CFC) black list, and
Guernsey is on Italy's white list for co-operation. Greece has told us that it has made clear to the
Commission that its CFC list should not be combined with its separate list relating to non-
825 cooperation. Croatia and Belgium have advised that they have told the Commission that their CFC
lists are not to be regarded by them as a black list. Lithuania is reviewing its list, which it has not
updated for four years, and we are confident that based on their current criteria Guernsey will be

830 removed. Spain has confirmed that we will be removed from their list as soon as the Spanish
Parliament has ratified our Tax Information Agreement with them, which has recently been signed
by them, and Portugal has said that it will tell the EU commission that its National List is based on
tax rates and not on non-cooperation.

835 It is not clear at this stage if all of these developments will be reflected in the EU's first update
of the list, which is due to be published tomorrow, but we will be continuing to push the
Commission to take all of these developments into account. In short, ironically, and perhaps
unexpectedly, we are actually in a better position now than we were in June last year in relation to
all of those particular National issues. Accordingly, there is no further reason to delay this
particular piece of legislation, and I do urge Members to support it.

840 **The Bailiff:** Deputy Langlois.

Deputy Langlois: Yes, sir.

845 I would just like to add to what Deputy St Pier has said. Would he agree with me on this that,
whilst we can never be complacent in these matters, and at any moment yet more accusations can
be made of the black list type, we should, as an Assembly, be very pleased with the extent and
nature of the work and the achievements of the External Relations Group staff, and of the Brussels
Office, in terms of moving this on from the position we were last year?

The Bailiff: Is there any further debate?

850 Deputy De Lisle.

Deputy De Lisle: Sir, I think the concern has to be as to whether business is improving as a
result of these changes or not, and I do not see that business is actually improving as a result of
the changes that are being made.

855 **The Bailiff:** Deputy St Pier will reply.

Deputy St Pier: Sir, I would certainly agree with Deputy Langlois' comments.

860 With regard to Deputy De Lisle's comments, I think there is plenty of anecdotal experience that
the finance industry is performing well at the moment, and certain sectors of it certainly are
experiencing growth. All of these developments are positive in terms of setting the tone, and the
environment, in which we operate, and the international perception which we project to the
World. So this cannot be seen as anything other than positive for us and our economy.

865 **The Bailiff:** We vote then on The Income Tax (Guernsey) (Approval of Agreement with
Bulgaria) Ordinance, 2016, which is at page 231. Those in favour; those against.

Members vote Pour.

The Bailiff: I declare it carried.

Now we come on to Statutory Instruments laid before the States.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

The Companies (Standard Articles of Incorporation) (Amendment) Regulations, 2015;
The Income Tax (Standard Charge) (Amendment) Regulations, 2015;
The Driving Licences (Guernsey) Theory Test (Amendment) Regulations, 2015;
The Trade Marks (Bailiwick of Guernsey) Regulations, 2015;
The Registered Patent Attorneys (Mixed Partnerships and Bodies Corporate) Regulations, 2015;
The Registered Patents and Biotechnological Inventions (Derogation from Patent Protection in Respect of Biotechnological Inventions) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Designated Countries and Offices) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Species and Groups) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Information) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Farm Saved Seed) (Small Farmers) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Prescribed Classes of Varieties) (Bailiwick of Guernsey) Regulations, 2015;
The Registered Plant Breeders' Rights (Information Notices) (Bailiwick of Guernsey) Regulations, 2015;
The Aviation Registry (Interests in Aircraft) (Commencement) Regulations, 2015;
The Aviation Registry (Eligibility) Regulations, 2015;
The Air Navigation (Fees) Regulations, 2015;
The Companies (Registrar) (Fees) Regulations, 2015;
The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015;
The Registered Health Professionals Regulations, 2015;
The Misuse of Drugs (Modification) Order, 2015;
The Registered Health Professionals (Amendment and Commencement) Order, 2015;
The Registered Plant Breeders' Rights (Farm Saved Seed) (Discontinuation of Prior Use Exemption) (Bailiwick of Guernsey) Order, 2015;
The Financial Services Ombudsman (Eligible Complainants) (Bailiwick of Guernsey) Order, 2015;
The Aviation Security (Bailiwick of Guernsey) (Amendment) Direction, 2015

870 **The Greffier:** The Companies (Standard Articles of Incorporation) (Amendment) Regulations, 2015; The Income Tax (Standard Charge) (Amendment) Regulations, 2015; The Driving Licences (Guernsey) Theory Test (Amendment) Regulations, 2015; The Trade Marks (Bailiwick of Guernsey) Regulations, 2015; The Registered Patent Attorneys (Mixed Partnerships and Bodies Corporate) Regulations, 2015; The Registered Patents and Biotechnological Inventions (Derogation from
875 Patent Protection in Respect of Biotechnological Inventions) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Designated Countries and Offices) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Species and Groups) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Farm Saved Seed) (Prescribed Information) (Bailiwick of Guernsey) Regulations, 2015; The
880 Registered Plant Breeders' Rights (Farm Saved Seed) (Small Farmers) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Prescribed Classes of Varieties) (Bailiwick of Guernsey) Regulations, 2015; The Registered Plant Breeders' Rights (Information Notices) (Bailiwick of Guernsey) Regulations, 2015; The Aviation Registry (Interests in Aircraft)

885 (Commencement) Regulations, 2015; The Aviation Registry (Eligibility) Regulations, 2015; The Air
Navigation (Fees) Regulations, 2015; The Companies (Registrar) (Fees) Regulations, 2015; The
Income Tax (Approved International Agreements) (Implementation) (Common Reporting
Standard) Regulations, 2015; The Registered Health Professionals (Amendment and
Commencement) Order, 2015; The Misuse of Drugs (Modification) Order, 2015; The Registered
890 Health Professionals (Amendment and Commencement) Order, 2015; The Registered Plant
Breeders' Rights (Farm Saved Seed) (Discontinuation of Prior Use Exemption) (Bailiwick of
Guernsey) Order, 2015; The Financial Services Ombudsman (Eligible Complainants) (Bailiwick of
Guernsey) Order, 2015; and The Aviation Security (Bailiwick of Guernsey) (Amendment) Direction,
2015.

895 **The Bailiff:** I have not received notice of any motion to annul any of those Statutory
Instruments.

POLICY COUNCIL

XI. Guernsey Financial Services Commission – Election of the Chairman – Drs. Cornelis Antonius Carolus Maria Schrauwens elected

Article XI

The States are asked to decide:

*Whether, after consideration of the Policy Letter dated 30th November, 2015, of the Policy
Council, they are of the opinion to elect Drs. Cornelis Antonius Carolus Maria Schrauwens as
Chairman of the Guernsey Financial Services Commission for one year with effect from 2nd
February 2016.*

The Greffier: Billet I – Article XI – Election of the Chairman of the Guernsey financial Services
Commission.

900 **The Bailiff:** Chief Minister.

The Chief Minister (Deputy Le Tocq): Sir, Doctorandus Cornelis Antonius Carolus Maria
Schrauwens, fortunately known to me and most of us as 'Cees', has been the Chairman of the
Guernsey Financial Services Commission for the last few years, and we have a very solid Chairman
905 in Drs. Schrauwens. Sir, it is a very simple request to ask this Assembly to confirm his re-election
for another year.

The Bailiff: Any debate? No.

I put to you then the Proposition, which is to be found at page 90, namely to re-elect Drs
910 Schrauwens. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare him duly elected.

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POLICY COUNCIL

**IX. Measuring Relative Poverty and Income Inequality
in Guernsey and Alderney –
Propositions carried**

Article IX

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 9th November, 2015, of the Policy Council, they are of the opinion:-

- 1. To note that, to improve the measurement of relative poverty, the method of calculating the Relative Low Income Threshold will be updated and improved as set out in Section 7 of that report.*
- 2. To agree that, to improve and broaden the measurement of relative poverty, a Multidimensional Poverty Indicator, as described in Section 9 and Appendix 2 of that report, be published annually.*
- 3. To note that, subject to the necessary resources and funding being available, the Policy and Resources Committee will consider undertaking a Minimum Income Standard Study, as described in paragraph 5.3, Section 10 and Appendix 2 of that report, on a five yearly basis.*
- 4. To agree that the measures of income inequality described in Section 11 and Appendix 3 of that report be published annually.*

The Greffier: Article IX – Policy Council – Measuring Relative Poverty and Income Inequality in Guernsey and Alderney.

The Bailiff: Chief Minister.

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The Chief Minister (Deputy Le Tocq): Mr Bailiff, this policy letter is in response to two directions from the States, arising from the Medical Officer of Health's Annual Report for 2013, which focused on the issue of poverty and its effects on ill-health. In short, the Policy Council was directed to report back to the States on how best it could determine who was in poverty, and how it could measure income inequality. The proposals set out in this policy letter are intended to apply to both Guernsey and Alderney with each Island being reported on separately.

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Inevitably, the content of this policy letter is technical, and were it not for the outstanding States' Resolutions, one might argue why such matters should be discussed at the highest political level. However, I think it is right and proper that we have this discussion, as over the years, and I suspect to be repeated today, there have been various political debates about how poverty is to be defined and measured. We are not alone in this, other jurisdictions have similar debates. But without any clear policy position ever having been established. Without any clear policy position for us, there is a temptation to argue over definitions and methodologies. Whereas once these are agreed the focus can be on policy measures to actually deal with, and tackle, the causes and consequences of poverty.

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The Policy Council is clear that to do the job requested of us there needs to be a focus on measuring relative poverty, as opposed to absolute poverty.

Absolute poverty is a concept associated with ensuring that the most basic of human needs are met: food, water and shelter. In international policy this term is applied to those in the most deprived circumstances, living in conditions far worse than we would consider as a minimum acceptable standard for someone living in our community in these Islands.

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On the other hand relative poverty recognises that in a society like ours where those very basic needs are already met, there will still be some people who have insufficient income not just to meet their day-to-day living expenses, but also to participate in Island life to the extent that they might like to.

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Identifying accurately who is in relative poverty is essential. Not just because of the impact it has on the health and well-being of the individuals concerned, but because our economy and public finances are impacted by the need to address these issues which arise from it. Much of our health, welfare, law and order, and other expenditure, has its origins in people who experience social exclusion and income deprivation. By identifying the scale of the problem, and also which households and individuals are at risk of relative poverty, we can make much better informed decisions on policies to improve individuals' quality of life.

So, to the proposals themselves. At the moment the only reported figure is the proportion of people living in households with less than 60% median income. While informative, this does not provide a complete picture. Its main benefit is that as a universally accepted method it allows some benchmarking with other jurisdictions. However, that is reliant on the calculation being consistent across jurisdictions. This policy letter recommends the continued reporting of this figure, but with some refinements to make it more accurate for the purposes of international comparisons.

The second proposal concerns the introduction of a new and more detailed measurement, a multi-dimensional poverty indicator, which will draw together wide-ranging information that is already available across the States, for areas such as housing, health, education and employment. This reflects the fact that relative poverty is much more than just how much income someone has, so that this new measure will provide a much broader and deeper view of relative poverty in the Island. Its main benefit will be to enable the monitoring, year on year, of trends, not just for the overall measure, but also for each of its component parts.

The third approach is to conduct a periodic minimum income standards (MIS) study. The MIS approach involves establishing a consensus within the community about what constitutes an acceptable standard of living, and then pricing the various goods and services agreed, to establish the minimum household expenditure required for different household types to purchase them. The main benefit of this approach is in identifying particular households that do not have enough income to live a healthy life and to participate in society.

These three approaches each have their own strengths and weaknesses in terms of objectivity. The extent to which they can be benchmarked against other jurisdictions, and the resources required to produce them. As the policy letter explains, the MIS approach complements, but is not a substitute for, a multi-dimensional poverty indicator, or a 60% median income approach. But from previous experience, MIS is an expensive and labour-intensive process to undertake. As a result it is more suitable for an MIS to be carried out periodically, rather than on an annual basis. So even though the Community Foundation has agreed in principle to share the costs with us, in the current fiscal climate, with the need to prioritise spending, it falls into the nice to have rather than essential category. Accordingly, the Policy Council is recommending that, if resources and funding allow, it will consider undertaking an MIS every five years.

Turning now to income equality. There are two internationally recognised methods to show how wealth is distributed amongst the population. The Policy Council is recommending that both of these measures be published annually.

Finally, I will address the comment from the Treasury & Resources Department that there is an inconsistency between the proposed measures of relative poverty and the work of the Social Welfare Benefits Investigation Committee (SWBIC), which has used a variant of Guernsey's 2011 Minimum Income Standards for the basis for calculating its proposed benefits rates. SWBIC's much awaited policy letter has yet to be published, but having had sight of it, it contains a statement that, and I will quote:

'The Committee's approach to recommending benefit rates has been to put aside textbook or think-tank definitions of absolute poverty and relative poverty. The Committee's definition of poverty refers to the income of an individual below which Guernsey as a society (represented by the States) considers it to be intolerable for that individual to be expected to live.'

Whether this is appropriate or not is for a later debate, but I make two key points for today. The first is that setting benefit rates is not the same as measuring relative poverty. They are two separate exercises. The second point is that for the purposes of consistency, and international comparison, it is important that Guernsey uses tried and tested methods for measuring relative poverty, which is what is being proposed today.

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Sir, I therefore ask Members to support this policy letter.

The Bailiff: Deputy Gollop.

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Deputy Gollop: I am a member of SWBIC, and we are moving forward, I think, to hopefully a satisfactory conclusion.

I would sort of disagree with the Chief Minister in one nuance, in that I think although they are technical and academic they are quite important and indeed we on SWBIC have spent a lot of time reflecting on these matters, we even had advice in the early days from a London Whitehall think-tank consultancy – I would like to live in a think-tank in a way – and also on Social Security we have had a lot of discussion with the Minister and others, having strong views about the relevance of the Loughborough University work that was done in the past, and all these measures. You are never going to satisfy everybody, and I welcome the support, and the possible partnership, with the Guernsey Community Foundation here.

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I think rather I would draw people's attention to page 22, section 3 which says:

'As defined by the United Nations, "relative poverty" refers to a lack of income to ensure sustainable livelihood, but it is also characterised by a lack of participation in civil, social and cultural life.

...

In the context of Guernsey it is *relative poverty* and *income inequality* that need to be accurately measured, as although the Island is generally accepted to be a wealthy society, there are some individuals who, for a variety of reasons, are not able to enjoy a standard of living or a level of participation in society that would be deemed socially acceptable.'

Now perhaps the phrase 'wealthy society' is a curious one, but I would agree with Deputy Hadley and others, who pointed out that it is a common fallacy from electors and people on the phone in and the websites to say we are a poor Island, in *per capita* we are not. We are in the top 10% of the World. Participation in society can be limited for a variety of reasons, disability being one of them. There are always difficulties with international comparability because, as is pointed out, we could all be poor if we were living in Monaco, or wherever, but this is more to do with an objective standard that could be recognised across societies as a whole, and therefore I would welcome a Multi-Dimensional Poverty Indicator. I think if I draw Members' attention to page 29 and page 28 a bit as well, there are some key points here: 'Adults and children receiving Supplementary Benefit' – I am pointing out a few –

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'Measures of acute morbidity.

Proportion of adults under 60 suffering from mood or anxiety disorders'

We know that not everything has gone as well as it might with our Mental Health Services in the past, and the Primary Care Programme, and:

'Average capped points score of pupils taking Key Stage 4...

Number of families applying for uniform grants'

There is clearly a linkage between educational achievement and attainment, and crime, and relative poverty, and we have had three or four surveys over the past five years, from both think tanks and, indeed, one could say, Dr Bridgman's work for HSSD, that do suggest however you define it, that almost a fifth of our society live in relative poverty, and relative deprivation. That could be as many as 10,000, 11,000 or 12,000 people. So this is a very important piece of work, that we need to work at, and not keep it at an academic, or jargonistic, level. We need to ensure that we have relevant actions, and that we keep our economy thriving, in order to ensure that the

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best route out of poverty is through work and educational attainment, and not just through social measures. The two have to work together.

So, I commend the report, and hope that it will be more integrated through Policy & Resources in the future.

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The Bailiff: I see no-one else rising – oh, Deputy Green.

Deputy Green: Sir, thank you.

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I have not got much to add really, I am generally supportive of the Propositions. It is unquestionably right to measure relative poverty and income and equality, and I think the fourth Proposition is particular important, sir, because I do not think to date we have measured, or indeed certainly not published, measures of income and equality, and I think that is a real step forward today.

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But I certainly accept the case for broadening out and improving the measurement of relative poverty. I support the idea of the Multi-Dimensional Poverty Indicator, because certainly one of the problems with having a relative low income threshold is that it is always an arbitrary measure, when you are talking about whether you are on an income that is less than 60% of equivalised median income, that always has the danger of being arbitrary, notwithstanding the fact that that is what Jersey does, that is what the UK does. That is what the OECD measures, albeit 50%, and across the EU. So, I am glad that we are refining that.

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I was slightly confused by something in the report which actually the letter of comment from T&R picks up on, which is that if the Social Welfare Benefits Investigation Committee is apparently going to be using the minimum income study approach, I was slightly confused by the inconsistency, but I do note the fact that there will be this periodic use of the MIS, and the only concern I have got there is, that there may not be sufficient resources in future for that to be done, and whether that would be seen as a priority. Of course, it is fantastic that the Guernsey Community Foundation is prepared to fund some, or part of that work, but that may not always be the case, and with the priorities that Government has got, I am appropriately concerned that in the future that use of resources for the Minimum Income Study may not be sustainable.

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The main point I wanted to make was the significance of the fourth Proposition, because I think it is essential that we publish a measure, or measures, of income and equality, regardless of the policies this States pursues, we need to understand, I think, what are the levels of inequality of outcome.

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Jersey only last year, I think it was, November of 2015, published some statistics which seemed to suggest that income and equality in Jersey in 2014-15 was worse than in the UK. I do not know what the position would be in Guernsey, but I think that was a very significant piece of research that was published in Jersey, and this is definitely something that we need to keep a very watchful eye on. The research, I think, clearly illustrates that there is a strong correlation between societies that have high levels of inequality with a much greater likelihood of a whole host of different social problems and difficulties. That is why we need Proposition 4 to be approved, so that Government can keep a proper watchful eye on these metrics. Whether it is by the Gini coefficient or some other model, we need that, if we are going to be serious about social policy.

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So, I will be supporting these Propositions.

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The Bailiff: Alderney Representative Jean.

Alderney Representative Jean: I see here on page 20 that:

'...to provide supporting data to establish a Multidimensional Poverty Indicator for Guernsey. The introduction of these changes should be possible at minimal cost and should also enable the calculation of relative poverty figures for Alderney in the future.'

1080 We already know some information, and I am very supportive of this piece of legislation. Some
of that information came about, sir, through the publication of the report on the Airfield Requête,
comparing our Guernsey average wage of £30,000, and in some cases in Alderney an average
wage of £17,000.

1085 There are other limitations that concern me in Alderney. Recently there has been a closure of
one of our financial institutions, and I will not mention the name of that, but I will say that 14 jobs
are involved, with possible limited ability to obtain a job of similar standing in Alderney through
our limited finance industry. One of my concerns that extends in relative poverty is the fact that
we also do not have any access to being able to come – although it has eased in recent years, an
ability between the Islands to be able to, for people from Alderney on a right to work basis, to be
able to come – here to work. Being as the situation has contracted somewhat in Alderney, that is
something I would like to be given consideration, so that there might be more ease for people to
1090 obtain better jobs here, if the industry in Alderney contacts, because many of these people have
made commitments to families, mortgages, and the like, and whether they will be able to attain a
job of a similar nature again I do not know. That is a problem, and a concern of mine. So I flag
that up at this moment. I am very supportive of this.

1095 I would also like to see, if it were possible, a date for the Alderney side of it, as it says here the
poverty figure for Alderney in the future, which does not really give any kind of date, so if I had
one desire it would be to try and put a date line on that.

Thank you, sir. Thank you very much.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, sir.

1100 While I am supportive of the general thrust of this report, I do want to sound a note of caution
about the Minimum Income Standard Survey. In 2011 Loughborough University undertook such a
survey in Guernsey, and the methodology seems to have consisted of asking members of the
1105 public what they thought they would need as a minimum standard of living, and the result was
that they were advised that the public needed a car, two weeks of foreign holiday, or whatever,
and a long wish list of things that the public considered that they needed. I think the answers the
surveyors would have got would have been very different if they had asked the public, what do
you think the minimum standard of living for other people should be in Guernsey?

1110 But, the result of the survey was a minimum income figure which was, I think I recall correctly,
actually higher than the average earnings in Guernsey. Now, the problem is, if this methodology,
or anything like it, is used and if then the resulting minimum income figure is used to benchmark
benefits, such as supplementary benefits, you rapidly have a very unaffordable social system.
Jersey undertook a similar survey, with similar results, and came up with a minimum income figure
1115 which was out of all proportion, and part of the reason why Jersey has a chronic budget deficit is
that they consistently try and benchmark to an unrealistic standard of living. Now, I accept entirely
that our welfare system cannot be based on some measure of absolute poverty, but we do need
to be careful when using this relative poverty term. It does not surprise me at all that Deputy
Green is able to report that Jersey's relative poverty is more extreme than the United Kingdom's.
1120 That almost actually is just sheer common sense, Jersey is a very wealthy island and there are
some extremely rich people there. Therefore there are going to be, on a relative poverty scale,
more people living in relative poverty, but that does not mean they are poor.

1125 Although we can undertake and, if we have the resources, we should undertake, some kind of
minimum income survey periodically, perhaps every five years. We do need to be very careful
about the methodology that is used in developing this standard, and be very careful how we use
the information that that survey may provide.

With that reservation, sir, I support the report, and will be voting in favour.

The Bailiff: Deputy Le Lièvre.

1130 **Deputy Le Lièvre:** Thank you, sir.

All the references to SWBIC have brought me to my feet. I am pleased that we will be able to look forward to Deputy Parkinson's vote when SWBIC presents its proposals in March, because we faced exactly that problem when we developed our benefits system.

1135 References to relative poverty, to minimum income standards, to absolute poverty etc. do not create benefit systems, and neither do they cope with the subject of affordability, and sustainability, and that is at the very crux, focus, of SWBIC's report. We were tasked with bringing two reports together, which we have done, and as cost effectively as possible. But the absolute detail with which Deputy Parkinson spoke about the differences between a wish list, and the provision of benefits, is exactly at the focus of SWBIC's work, and indeed the Chief Minister made
1140 reference to the fact that relative poverty etc. and reports of this sort do not actually relate to the production of levels of benefit, which is what SWBIC has had to focus on.

I am, and SWBIC is fully supportive of this report, because it will give us the information that we need to build on what SWBIC will propose in March of this year.

1145 So, I fully support the proposals, SWBIC does, and I hope that the States supports them unanimously.

Thank you, sir.

The Bailiff: Deputy Langlois.

1150 **Deputy Langlois:** Thank you, sir.

Well, sir, I am unexpectedly going to be a little nostalgic for a moment. I was brought up in an era where on Saturday morning, a large number of children used to head for a place called The Odeon – it is now a carpark. But there was a cinema there, and one of the most exciting bits of the morning – I will not regale you with some of the other bits of the morning, because children's film
1155 shows on Saturday mornings involved lots of activities of different sorts – was the trailer for the following week. And I just had not expected to hear the trailer for SWBIC this morning, but we are now looking forward to the main feature. It is, of course, relevant to that particular report.

I think the two things I wanted to say here were very simple, and that was that soft statistics are always dangerous. They are often rapidly reported and represented as hard facts, and
1160 unfortunately we are in an area here where soft social statistics have to be applied to some pretty difficult and quantitative policies. I support aspects of what Deputy Parkinson has said here, I think perhaps he was very firmly of the view that the methodology used in the past was flawed, and so on. Having then been a Social Security Minister for nearly four years, I can see aspects of how that may be used, or not used, and the need for much more variety, and therefore I think this multi
1165 approach, which is being proposed, is a wonderful compromise. I think it has shown the fact that we have had speeches from people with differing backgrounds, and a differing approach to these issues, all supporting it. So, I would commend everybody to support this report exactly as it is.

The Bailiff: Deputy Luxon.

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Deputy Luxon: Thank you, Mr Bailiff.

Sir, I just rise as Minister for the Health Department. On page 29 I just want to point out to Members the particular focus on the areas of health:

Years of Potential Life Lost
Comparative Illness and Disability Ratio
Measures of Acute Morbidity
Proportion of adults under 60 suffering from mood or anxiety disorders
Excess Winter Mortality
Foregone Primary Care due to cost

1175 Sir, there are very important matters captured within this policy letter, and I have to say when the Policy Council and the Social Policy Group discussed this, we actually thought some Members

may feel that we had not made enough progress with the proposals contained within this policy letter. I was delighted to hear Deputy Le Lièvre in that case, in fact counter to that, be supportive of at least the progress that we have made.

So, I would ask Members to support this policy letter, it is important.

1180 Thank you.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

1185 I want to specifically speak about Proposition 3. It does not seem to be consistent with the Chief Minister's opening speech where Proposition 3 says:

'to note that, subject to the necessary resources and funding being available, the Policy & Resources Committee will consider undertaking ...'

1190 That is not much of a commitment, is it? To note, as we know, does not mean anything. Then it says 'subject to funding, will consider undertaking'. He spoke about doing the MIS every five years, and it is interesting to note that the last one was done in 2011, therefore if we are going to do it every five years it is this year that it needs to be done. In paragraph 6.2 on page 26 it specifically says:

'In addition to these measures, the Policy Council also recommends the periodic calculation of a Minimum Income Standard for Guernsey.'

1195 So, if they are saying that in the report, the actual Proposition at the end is not consistent with that.

I want to remind Members what is relative poverty, well in paragraph 3.1.2 it tells us it is:

'As defined by the United Nations, "relative poverty" refers to a lack of income to ensure sustainable livelihood, but it is also characterised by a lack of participation in civil, social and cultural life.'

1200 And that is the key point. It is participation, and if people cannot participate they are in relative poverty. So some things that Deputy Parkinson recommended is what people need to participate in society, but I will develop that argument. The MIS is defined by the Joseph Rowntree Foundation as saying:

'The Minimum Income Standard (MIS) is the income that people need in order to reach a minimum socially acceptable standard of living ... based on what members of public think. It is calculated by specifying baskets of goods and services required by different types of household in order to meet these needs and to participate in society.'

That is exactly consistent with that word 'participate' in society, which is what relative poverty is defined as. They go on to define what is included. A Minimum Income Standard is:

'more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.'

1205 That is interesting: 'the opportunities and choices to participate in society'. Thus a minimum is about more than survival alone. However, it covers needs, not wants; necessities, not luxuries: items that the public think that people need in order to be part of society. In identifying things that everyone should be able to afford, it does not attempt to specify extra requirements for particular individuals and groups, for example those resulting from living in a remote location or having a disability, so not everybody who has more than a minimum income can be guaranteed to achieve an acceptable standard of living. However, someone falling below the minimum is unlikely to achieve such a standard.

1210 So it is important that it does not cover every group, but those who are below it will not achieve that minimum standard.

1215 It is interesting to note the history of the MIS. The original research was funded by the Joseph
Rowntree Foundation and it was conducted by Centre Research in Social Policy at Loughborough
University, in partnership with the Family Project Unit at the University of York. I am sure people
will respect that those are very august organisations that have done very significant work on this
topic. But what is interesting is, because there is a big emphasis on this, it mentions about 60%
median income, and in the latest MIS report for the UK they look at, in the year 2012-13 what is
1220 the MIS as a percentage of median income. For a single working age person it is not 60% it is
86%, for a pensioner couple it is 67% for a couple with two children it is 85%, and for a lone
parent with one child it is 90% of median income. So that clearly shows you that if we achieve 60%
we are way below – if we were in the UK in 2012 – what is the minimum income standard.

1225 As has been said, carrying out this MIS study is supported by the Guernsey Community
Foundation, and they are so committed to it that they have offered to fund half of it. It would be
not sensible for us to not take that opportunity to go ahead with the study. The latest estimate
that I have had, is that it will cost between £80,000 and £95,000, to fund the study, and as I have
said the Guernsey Community Foundation has offered to fund half of it. It is interesting that the
Policy Council in 2014 underspent their budget by £300,000, and in the 2016 Budget the
predicted underspend in 2015 was £160,000 – far greater than the cost of doing this study.

1230 I think we need to ensure, because there seems to be an overemphasis on benchmarking, what
we need to do is find out what our community needs in order to be out of relative poverty, and
this is what this Minimum Income Study does.

1235 As I said, we carried one out in 2011, so we need to carry one out in 2016. So, I would like the
Chief Minister when he sums up, to explain are they going to carry out a study in 2016? Because
he said that it should be done every five years, so I believe we need to understand their
commitment to it, they said in the report that they are committed to it. He said in his speech he is
committed to it, but the Proposition is extremely weakly written.

1240 I think it is crucial, as we found in 2011 we could not afford, at that point, to meet the full
needs of a minimum income standard from our benefits system, but unless we know what the
minimum income standard is, we cannot then try and achieve that minimum income standard
level of benefits. So I think it is very important, although I fully accept that we might not be able
to meet that standard, but we need to understand how far we are away from it, so that we can
then plan to meet it.

In their conclusions in the Billet, it says in paragraph 16.3:

'a Minimum Income Standard would also provide information on the minimum income level which the community
considers is required to sustain an acceptable standard of living on the Island, and highlight those types of households
which do not reach this level.'

1245 That is exactly what we need to do. We need to be able to have that information, and then we
can plan to meet that need.

1250 The report tells us, and there is considerable evidence elsewhere, including that there are
benefits to education, health, as the Health Minister has just talked about, for people who have
the minimum income, and also there is in terms of crime as well. So there are massive benefits,
and it would lead to savings elsewhere in our community. But surely as a society we want
everyone to participate and take a full part in our society, and unless we ensure that our benefit
levels reach minimum then we will not achieve that.

So, I urge the Members to support the Propositions, but I would like the Chief Minister to give
me a commitment that they are going to carry out it every five years, which would be this year.

1255 Thank you.

The Bailiff: Deputy St Pier.

1260 **Deputy St Pier:** Sir, Deputy Green emphasised the importance of the fourth Proposition, and I
would like to emphasise the importance of the second. I think across the generations, it is

probably indisputable that economic growth has quite literally pulled billions of people out of poverty, but in a prosperous and well developed economy such as ours, we need to recognise that poverty in Guernsey is not just about economic poverty, as it is in so many other places. I think because we are a prosperous society as a whole, then some in Guernsey simply do not believe that we have any poverty here. In our case, of course, economic poverty is normally an indicator of other social problems, often deriving from the poverty of opportunity and aspiration, and I know he is not here now, but also dare I say it, the poverty of hope, which is something that, of course, Deputy Lester Queripel often refers to. So measurements of relative poverty, and indeed minimum income, can often overlook that – or even, I think, reinforce the emphasis on economic poverty.

Deputy Green noted the use of the minimum income standard type approach in the work of SWBIC, and obviously Deputy Le Lièvre referred to that, and to some extent, I think, that too reinforces the emphasis on economic poverty, but, of course, that is precisely the thrust of SWBIC's work. But we do so, I think, to the exclusion of other social problems. So, for me, the development of a Multi-Dimensional Poverty Indicator, albeit that it is a rather unattractive and clunky management style term, is actually, the most significant part of this policy letter. Because I think it will then start to shift the debate about what poverty really means in Guernsey, what it means to be poor, and what its consequences are for our community, so that we can then start to develop the right policy responses to those.

So, I just do wish to emphasise the relevance of Proposition 2, sir.

The Bailiff: Deputy Perrot.

Deputy Perrot: As I shall be voting against these proposals, I think it probably only right that I should stand and say so.

I do endorse quite a lot of that which was said by Deputy Parkinson. I think that the reference to relative poverty is actually a dangerous one, because it does mean that poverty in those circumstances is self-perpetuating. Although we have had quoted to us the UN definition of relative poverty, if we look at the OECD definition of relative poverty it is 60% of median income, and that means that there will always, always, be people who fall below that, and I keep giving the example that people who live in very wealthy jurisdictions will be deemed to be relatively poor when in fact they can be very wealthy indeed.

I note Deputy Langlois' jocular remarks about the constant references to the work of SWBIC and how what we are doing is acting as a trailer for a debate to come up. But I am proud of the work which has been done by SWBIC. Everybody knows that I was dragged kicking and screaming on to that Committee, I did not want to have anything to do with it. I did not want Treasury & Resources to have anything to do with it, but as I dug into what was going on, and I made my own suggestions about how SWBIC ought to conduct itself, I am proud that we have come up with what is, in effect, a Guernsey definition – I am sorry, sir, that is another trailer – and a Guernsey definition of absolute poverty, and I think that we should all take pride in saying that we regard that as a level below which we think it intolerable for a citizen of this Island to live.

When we have been talking about absolute poverty, and the consequent payments which ought to be made under the supplementary benefit system, it is not as if we are kicking into touch the idea embodied in the UN definition of poverty, because in the long-term rates we have taken into account the fact that we do need to factor in social inclusion on the part of the people who are in receipt of those benefits. So I am proud of that.

All that I would say to Deputy Parkinson is that it is not right that we have taken an old study and said that is what we are going to do, chaps. What we have done is to look at each individual section of how a person might use that person's income, and but a value on it, and so some things have been removed, some things have been added in.

Anyway, for Deputy Langlois' benefit, just watch this space, it will be interesting to see when the SWBIC debate takes place, but I think that that work, that policy report, will be one of very

1315 great value indeed, because we have looked at something *de novo*. In fact I am told by the
Chairman of SWBIC that you know what, supplementary benefit was based upon the wages of a
greenhouse labourer *circa* 1954 and nothing has been done since that time in order to adjust that
to present day conditions. So we are doing something, which is a fundamental exercise, as I say, I
am pleased that we have got that. Of course, we all must remember that the primary role of
SWBIC, actually, was to meld two systems which was the rent rebate system and the
1320 supplementary benefit system. I think this is sort of – I know that the Joseph Rowntree Foundation
can do absolutely no wrong in the eyes of some people. I am not one of the great admirers of
something which I consider to be an entirely left-wing institute, and I think that if we are trying to
repeat works of the Joseph Rowntree Foundation, what we are doing is engaging in unnecessary
work.

1325 **The Bailiff:** I see no-one else rising.
The Chief Minister will reply to the debate.

The Chief Minister: Thank you.

1330 Well, it has been an interesting debate, if slightly a trailer for the SWBIC debate to come. But,
nevertheless mostly supportive.

I think Deputy Parkinson, if not Deputy Perrot, their speeches somewhat cancelled out Deputy
Dorey's speech, but I will address some of the points that Deputy Dorey made. First of all he
seemed to refer to something that I said in my opening address, and I have looked for, as I have it
written here, what I said with regards to MIS, and I cannot find this sort of import that he was
1335 alluding to, but I said this:

'As the policy letter explains, the MIS approach complements, but is not a substitute for, a multi-dimensional poverty
indicator, or a 60% median income approach. But from previous experience, MIS is an expensive and labour-intensive
process to undertake. As a result it is more suitable for an MIS to be carried out periodically, rather than on an annual
basis. So even though the Community Foundation has agreed in principle to share the costs with us, in the current
fiscal climate, with the need to prioritise spending, it falls into the nice to have rather than essential category.'

That is what I said, sir. Now, we are not saying it should not be done; we are saying it should
be done, if resources and time permit. I would go further to say, sir, that actually at this current
juncture the work of SWBIC, particularly in the way in which it has tackled some very pressing
needs, has to some degree made up for the fact that we are not recommending to undertake an
1340 MIS at this stage. I look forward very much to that debate, because I think that will highlight issues
that will need to be taken forward, and future Assemblies will need to make a decision at what
point to undertake an MIS, but we are asking this Assembly today to note that, if resources allow,
and it is appropriate, that this Assembly will choose to do so, and that is something that we
certainly will do.

1345 Sir, I would pick up a couple of other things. Alderney Representative Jean spoke of the need,
particularly, I think, to have certainty that Alderney will be looked at in a different light, not just
put together with the indicators for Guernsey, and I will give him an assurance of that. I think, sir,
he alluded to it perhaps, but the recent work that has been done which has looked more broadly
at the economy in Alderney and income levels, I think that will serve well. In fact, we are better
1350 placed in terms of resourcing of data now, right across the Bailiwick, to be able to do that,
specifically for Guernsey and Alderney. We look forward to that, and that will hopefully help him,
and his colleagues, to address issues that they want to do in Alderney in the future.

1355 Sir, Deputy Parkinson was right, I believe, in some of the allusions he made, certainly poverty is
not just simply an economic issue. It is to do with contentment, and I think, particularly, those
issues of education, engagement, equality of access, community health, breadth of social
inclusion, interaction, social responsibility, social justice, they all come in to it. It is a far more
complex thing than any one of these indicators that we are recommending here, by themselves,
could actually indicate to us. We have a society that is absolutely, definitely, one of the richest in
the world, but as a result, probably it is possible for people who are in situations where for one

1360 reason or another of these different factors they find themselves in poverty, and they find themselves not able to access the sorts of conditions that bring about contentment and happiness and success.

1365 Sir, certainly few people are happy with, and if you ask the average person if they are happy with their current income, well no-one – very few people – would say that they are happy, otherwise we would have no ambition or envy in the world, but we have those things, and so we have got to be careful to not just pander to that type of approach. What we do want, however, is a society that has responsibility for those who otherwise are hidden in our society. Those that suffer as a result of us, as a broader society, being in global terms wealthy, and anybody that visits here from other parts of the world, that is their first impression. You have to hunt a little bit more
1370 deeply to see the effects of poverty.

I believe the four Propositions that we have before you will help us in the future to be able to measure effectively, to do so in a cost effective way, to be able to benchmark, where that is appropriate, but also then to be able to develop policies that can tackle some of the issues that many of us know now, and as they occur in the future, need to be addressed.

1375 So, sir, I ask this Assembly to vote for all four Propositions as they stand.

The Bailiff: Members, the four Propositions are on page 47, I put all four to you together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

**V. The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016 –
Debate continued –
Proposition carried**

1380 **The Bailiff:** Madam Comptroller, are you ready for us to go back to Article V, and the Maternity Leave and Adoption Leave Ordinance?

The Comptroller: Yes, sir, I am.

1385 **The Bailiff:** Shall we do that then? Are you able then to provide the answers to the questions that you are were being asked?

The Comptroller: I hope so, sir.

1390 Sir, if I could start with the question that was raised by Deputy Soulsby and see whether I am able to assist on that point.

1395 Sir, Deputy Soulsby had asked a question in relation to the entitlements under the Maternity Leave Ordinance, and so it might be useful to just very quickly refresh on the background to this Ordinance, because originally in 2012 when the States' policy letter was brought before the States, there was an intention by the States to come back with provisions relating to parental benefits and basic leave at the same time, but this has not proved possible, and I have been very helpfully reminded that the Parental Leave aspect is actually coming back to the States in February, but originally the intention was that the Leave and the Benefits would come back at the same time. So what we are looking at in relation to the Maternity Ordinance is purely the provisions of the Ordinance relating to basic leave.

1400 Now, in a nutshell, the basic leave requirement is 12 weeks, and depending on how long a mother has been employed in her place of employment, she could be entitled to additional leave,

which would be 26 weeks. Now, what the Ordinance sets out at section 15, is the application of terms and conditions which are relevant during that Maternity and Adoption Leave.

1405 Now, it is deliberately silent on the point of remuneration – deliberately silent on that point, and the reason for that is the intention behind the Ordinance is merely to set out the leave conditions. However, what section 15 does is make it clear that notwithstanding that the leave that is provided during that period of leave the woman will be entitled to certain contractual rights relating to notice of termination of employment contract, but it is silent on the terms of remuneration. Then section 16, and onwards, makes it very clear that if there are particular contractual rights, perhaps more favourable, which might well provide for remuneration, the
1410 Ordinance does not affect those.

So although what it is doing is merely setting out the provisions for leave for women going forward, it is quite possible that within somebody's contract that will entitle them to be paid during that period of leave, and it does not affect that.

1415 Later on we will be coming back with Parental Benefits and I would also remind you that there was an amendment placed before the States last year, which also wished to Commerce & Employment Department to come back with issues about shared parental leave. So there are a number of aspects to this, but I am hoping this is helpful. All this does is set out the period of leave, it is silent on the point of remuneration, and deliberately so, because if a lady's contract does not provide for remuneration, then she will not be remunerated during that period of leave,
1420 but she will be entitled to the basic period of statutory leave.

I am hoping that that has addressed Deputy Soulsby's question.

Deputy Soulsby: I think so, sir. *(Laughter)*

1425

The Comptroller: I was very grateful, sir, to have the expertise of St James Chambers just across the Hall, because it is quite complex to be reminded of all those other aspects.

Sir, in relation to Deputy De Lisle's query, which again, hopefully I will be able to assist on.

1430 The leave of the partner, and partner is essentially whoever is nominated by the female, is only for two weeks, and that two weeks period commences, as is set out in the section to which I referred earlier, and it is the Maternity Support Leave, that is how it is termed. It commences on the discharge from hospital of the partner, of the lady in question. But, it is only for two weeks. So the 12 weeks and the 26 weeks, which is the basic leave entitlement for the mother, does not apply to the partner.

1435 But, I would remind the States, sir, that the issues on shared parental leave will be coming back to the States with a report from Commerce & Employment pursuant to a Resolution of the States last year.

I hope that has assisted, sir.

1440

The Bailiff: Thank you.

Deputy Stewart, do you wish to reply further to the debate?

Deputy Stewart: I do not think there is much I can add to that, sir. Very comprehensive.

1445

The Bailiff: In that case, Members, we vote on The Maternity Leave and Adoption Leave (Guernsey) Ordinance, 2016. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY COUNCIL

**X. Review of States' Members' and Non-States' Members' Pay –
Debate commenced**

Article X

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 9th November, 2015, of the Policy Council, they are of the opinion:

1. That the remuneration allowance paid to Deputies with effect from 1st May 2016 shall be as follows:

President of the Policy and Resources Committee	£65,315*
Presidents of the Principal Committees, President of the Scrutiny Management Committee, President of the States' Assembly and Constitution Committee and Members of the Policy and Resources Committee	£50,185*
All other Deputies	£37,147*

* Social Security uplift to be deducted for those aged 65 and over

with an adjustment in accordance with changes in Guernsey median earnings as published in March 2016 provided that, in the event of a negative change, no adjustment should be made.

2. That the remuneration allowance paid to Alderney Representatives from 1st May 2016 shall be:

President of the Policy and Resources Committee	£42,835*
President of a Principal Committee, President of the Scrutiny Management Committee, President of the States' Assembly and Constitution Committee or Member of the Policy and Resources Committee	£27,705*
With a seat on a Committee, the Transport Licensing Authority, the Development and Planning Authority or the States Trading Supervisory Board	£20,503*
All other Alderney Representatives	£12,130*

* Social Security uplift to be deducted for those aged 65 and over

with an adjustment in accordance with changes in Guernsey median earnings as published in March 2016, provided that, in the event of a negative change, no adjustment should be made.

3. That in the event that a President of a Principal Committee, the Scrutiny Management Committee or the States' Assembly and Constitution Committee is unable to fulfil his or her duties for a period in excess of four weeks and the Vice-President takes on the full responsibilities of that post, his or her remuneration will temporarily increase to the level of a President.

4. That the remuneration allowance paid to Non-States Members from 1st May 2016 should be £2,000 per annum and should only be paid to the relevant members of the six Principal Committees, the Scrutiny Management Committee, the Transport Licensing Authority, the Development and Planning Authority and the States Trading Supervisory Board.

5. That any Alternative Alderney Representative shall be entitled to be awarded in respect of his attendance at a properly convened meeting of the States of Deliberation which he has been appointed to attend, pursuant to section 4 of the States of Guernsey (Representation of Alderney) Law, 1978 an attendance allowance of £69 per half-day or part thereof (with an adjustment in accordance with changes in Guernsey median earnings as published in March 2016 provided

that, in the event of a negative change, no adjustment should be made), which sum shall be subject to tax.

6. That the remuneration of States Members, Non-States Members and attendance allowance for Alternative Alderney Representatives should be automatically adjusted annually on 1st May, based on any percentage change in median earnings, as published in March each year. In the event of a negative change, no adjustment should be made. Should a percentage increase occur in the year following a negative change, the award shall reflect the percentage change from the year preceding the negative change.

7. To direct the Treasury and Resources Department (and its successor Committee) to continue to provide States Members with standard information technology equipment and software.

8. That at the beginning of a political term, any States Member or Non-States Member who chose to accept remuneration would be required to decide either to accept or reject any changes in such remuneration that might result from any changes in median earnings during the relevant political term.

9. To direct the Policy and Resources Committee to present to the States of Deliberation for approval the necessary amendments to the Rules for Payments to States Members, Former States Members and Non-States Members of States Departments and Committees to give effect to their above decisions.

10. To direct the Policy and Resources Committee to set up an independent review of the remuneration to be paid to States Members and Non-States Members not later than 1st May 2018; or at any other time in the event of a change in circumstances that has a significant effect on the roles and responsibilities of those Members.

1450 **The Greffier:** Article X – Policy Council – Review of States’ Members’ and Non-States’ Members’ pay.

The Bailiff: The Deputy Chief Minister, Deputy Langlois, will open the debate.

1455 **Deputy Langlois:** Thank you very much, sir.

Members, it may need just one word of explanation. I am presenting this solely from the point of view that I have already declared I am not standing for election, and because of the nature of the debate (*Interjections*) and because of the nature of the debate it seems sensible that a member of the Policy Council in that position should present it. It does not mean to say that the Policy Council have, in that sense, interfered in any way in the independent review. I have been asked by the Policy Council to give political overview oversight of the process throughout.

1460 Now, if I can just take you back for information. In 2012 the States directed the Policy Council to set up an independent review of the remuneration of States’ Members and non-States’ members, with the intention that any changes to such remuneration would come into effect in the next political term starting in May this year.

1465 Accordingly, it was in July 2015 that the Policy Council appointed an Independent Panel to carry out the review, and I would like to place on record our thanks to the three Panel members for undertaking that assignment. On this occasion the Panel had to look forward to a new system of Government, and as the review of the States’ affairs was considered by the States only in July 1470 2015, when the shape of the new system had become clear, the Panel had to complete its work within a relatively short period of time. That is the explanation why the particular sequence of events was in that shape.

1475 The Policy Council is very grateful to the Panel for completing its task within the timescale, and as set out in its terms of reference. States' Members will see that the Panel concluded that whilst it is possible to understand the new structure of Government, and the positions which will have to be filled on various States' bodies, it cannot be entirely clear how the new system of Government will operate at a practical level, of either policy or operations. This is because, with the best will in the world, certain features of any new system will become apparent only when changes have been implemented.

1480 Sir, the Panel could not therefore reach definitive conclusions on how that will affect the workload and time of States' Members, and non-States' members, or their responsibilities in specific committee roles. Rather than speculate, the Panel has recommended that, in general, the current arrangements for remuneration, benchmarked against median earnings, should remain in place, and that there should be a further review of remuneration once the new system of Government has had sufficient time to bed-in. It is worth pointing out, that as part of the consultation carried out by the Panel, much of the feedback was that the current arrangements were considered to be about right. The Panel has, however, recommended some minor changes, that are intended to improve administrative efficiency. The essential element of the review was that it was independent, the Panel members were independent of the States, and their report is an independent report, which the Policy Council simply presents to the States today. My role on behalf of the Policy Council is solely to provide political overview of the review process. Given the independent status of the review the Policy Council has included recommendation that will enable the States to vote on the Panel's proposals. The Policy Council believes that it is for each States' Member to vote on these proposals according to his or her conscience.

1495 **The Bailiff** I have been given notice of five amendments. I propose that we take them in the order of the Propositions to which they relate, and we will start with an amendment to be proposed by Deputy Bebb, assuming that he has a seconder, that relates to Proposition 1.

Deputy Bebb.

1500 **Deputy Bebb:** Yes, sir, I apologise, my computer does not seem to like divulging the name of Deputy Wilkie, who is the seconder –

The Bailiff: Deputy Wilkie, right.

1505 **Deputy Bebb:** – despite it being in the document I had, it just does not appear in the email form.

Amendment:

To delete proposition 1 and replace with the following:

'That the remuneration allowance paid to Deputies with effect from 1st May 2016 shall be £42,005 with the Social Security uplift deducted for those aged 65 and over, and an adjustment in accordance with changes in Guernsey median earnings as published in March 2016.'

1510 **The Bailiff:** Would you like the amendment read, or will you read it?

Deputy Bebb: No, I think I will just go straight into debate on the amendment actually.

1515 Members, we heard from Deputy Langlois, the point that this is an Independent Panel, and I know for many the question as to amending, and this would be a substantial change from the Propositions as given by the Independent Panel, would be something that is quite difficult, but I would ask the question of independent of what? Indeed, if we had to look at a question of independence in terms of from interest or stated claims, then I have to say that one of the members of the Panel has actually been vociferous, and has been actually instrumental in causing much discussion, and much opprobrium poured on the pay of Members in this Assembly.

1520 I remember quite clearly that rather hateful headline, front page of *The Press*, 'Pay Bonanza', at
a 1.5% pay rise, which I have to say in my previous employment a 1.5% pay rise would not have
been described as a bonanza. Indeed, I have to say that I think that the Panel themselves have
recognised part of the problem in trying to identify how on earth this pay should be remunerated.
It states that on the whole, it feels that pay should be in line with the previous recommendations.
1525 But, of course, the previous recommendations, if we look at page 59 of the Billet, states in the
principles:

'B) Remuneration should not lead to participation for financial reasons alone.'

and

'F) Remuneration should be administratively simple.'

Well, in those two respects, I have to ask why we feel that remuneration for Deputies should be
different to the remuneration for Ministers. Is it right that somebody would be able to stand on
1530 the condition that they could afford to be a Minister and nothing else? Is that acceptable?

I find myself in a slight quandary that, of course, we do not have an executive system of
Government whereas across the water in the Jersey they do, and Jersey has a flat pay. The pay
that I propose is £42,000. It is cost neutral. There would be no additional cost to the States, but of
course, it brings in parity that Members would be paid for the position of being a Deputy, and any
1535 position beyond that, is something that they would be seeking solely for the purpose of seeking
that position, and not for financial reasons, which I believe is the right approach. It is fair to say
that Members will say, that there is a discrepancy in the work load that is undertaken by Ministers
compared to those that are not Ministers in this Assembly. But equally there is going to be a
discrepancy between the workload of Ministers and Ministers. There is going to be a discrepancy
1540 in workload between Members who are not Ministers, and those who are. It is quite feasible that
we will have other special committees such as SWBIC, such as the Review of Government
Arrangements with the UK, where the workload may be substantially greater than some Ministers.

It is folly to imagine that we can create a system that remunerates according to the quantum
of work, because it varies greatly. Equally, may I suggest that no Minister in this Assembly seeks
1545 such a position for financial reasons; therefore, I am unsure why we feel it appropriate to
remunerate accordingly. The Chief Minister in Jersey is paid the same as every other Member of
the States. I am unsure why we would actually have a different position. I also feel that £42,000,
that is a flat fee, is administratively simple, and the one other change that this amendment would
bring, is that it brings into line the same arrangement as today that any changes in median
1550 earnings will be reflected in the salary of Deputies, whether it goes up or down. I feel that if the
median earnings of the Island drops, it is inappropriate for us to be sheltered from such a move,
which the proposals at the moment do. My amendment would seek to bring us in line with
median earnings, and I think it only appropriate that if median earnings dropped then so too
should the salaries of the Deputies here elected.

1555 I recognise that some people may find it difficult to vote against an independent report, but I
would ask Members to just reflect that when elected in 2012 we all knew that part of our mandate
would be to set a pay for the next Assembly, and that is what we are here to do. I would suggest
that this is a fair, and representative, way that would be the model that we would actually adopt,
here in Guernsey, given that we do not have an executive system of Government, and as many
1560 Members have said, on a frequent basis, they only have one vote regardless of their position.

Members, I hope that you will be able to accept this amendment.

Thank you.

The Bailiff: Deputy Wilkie, do you formally second the amendment?

1565

Deputy Wilkie: Yes, sir, and I reserve my right to speak.

The Bailiff: Deputy Langlois, do you wish to speak on it at this stage, or do you wish to reserve your right to speak later?

1570 **Deputy Langlois:** I will speak later, sir.

The Bailiff: Is there any debate?
Deputy Fallaize.

1575 **Deputy Fallaize:** Thank you, sir.

I really do think it is problematic to start playing around with the recommendations of the Independent Panel. Now, when Deputy Bebb says 'independent of whom?' in a way he makes a fair point, but the members of the Panel have never claimed, and the Policy Council has never claimed, that the members of the Panel are impartial. They clearly come to the matter with some
1580 opinions. People like that have not been sort of picked from Planet Zog. They live in our community, they perhaps had opinions about Members' remuneration before they started their work, but they are independent of the States, and that seems to me quite an important principle.

The point that Deputy Bebb makes about Jersey is interesting, and on one level he is right to say it does seem a bit odd that the Island which has a ministerial system has a flat rate of
1585 remuneration, and the Island which does not have a ministerial system remunerates the people, who at the moment are called Ministers, more handsomely than other Members. But, if he thinks about it, there might be something in that, because in Jersey perhaps there does not need to be much of a financial encouragement for a Member to seek ministerial office, because it gives them materially more powers over policy making, than would otherwise be the case. Whereas in
1590 Guernsey, in a way, you could look at it and say well actually there is every incentive for a Deputy not to be a Minister, because you get almost as much influence on the policy that is developed inside a department, or a committee, and you do not have to put up with some of the hassle that is associated with being a Minister. So it may be that there needs to be some incentive in Guernsey for Members to seek the leadership of committees.

I agree with what Deputy Bebb says about median earnings. I see no reason why, if Members
1595 remuneration is linked to median earnings, they should be protected in the event that median earnings fall, but I am not sure that is a sufficient reason to vote in favour of this amendment. Now, I have to say that, in principle, I agree with the concept that Deputy Bebb is putting forward, and more than once I have sat in front of remuneration panels and suggested to them that they
1600 should propose a flat rate. Mainly because I just do not think it is very healthy to have a system where Members may be making decisions about whether to seek particular offices based on the remuneration that those offices attract, but I think it would be better, if the States believed that it was right to go to a flat rate in principle. I think it would be better for that to be set out in the terms of reference for the next remuneration panel, than it would be to wait until the Independent
1605 Panel's recommendations are laid before the States, weeks before an election, and for the States then to start playing around with the rates proposed.

I just do not think that it is very sensible for the States to play around with the rates that are
1610 proposed. Because it is all right saying, well this is relatively simple, but it does in effect mean, it will create the impression for a Deputy who is a sort of ordinary Deputy, not a Minister at the moment, who votes in favour of this amendment, stands at the next election, is re-elected, and then is still an ordinary Deputy in the next States. It does create the impression that that person has, in effect, increased their remuneration by around £5,000, more than it would have been. We can try and explain that is not quite how it works, and we knew that was going to be the deal in 2012, but that is how it will be perceived. I do not think that is very healthy, so, I think the
1615 perception of the States fiddling around with Members' remuneration, once this panel has done its work, is just not very sensible.

Now, there are some other amendments, about reasonable adjustment for Members, which I do not think fall into the category of the States unhealthily fiddling around with the Independent

1620 Panel's recommendations. But, these sorts of amendments which seek to change the actual rates which are proposed by the Independent Panel, I just do not think it is sensible for the States, at this stage, to start playing around with the Independent Panel's recommendations, and I would strongly caution against it, and therefore will vote against this amendment.

The Bailiff: Deputy Burford.

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Deputy Burford: Thank you, sir.

1630 I am going to support this amendment. In terms of tampering with the report, while I accept the principle that generally that is inadvisable, I have to also ask myself what does matter to the general public most, and I think what matters to the public is how much we, as a States, in our combined salaries actually cost the taxpayer, and if that figure is not changing, I do not think that that is a problem. I think it is the cost rather than the division which would be the concern for most people.

1635 I also think another advantage of this amendment is that it will actually encourage more people to stand for the States. I do not think it will get to the level where we have got people applying just because they think it is a great salary, and they can get in. But, I think it will make it possible for more people to stand, and I think that is something that should be greatly encouraged.

So, I will be supporting this amendment.

Thank you.

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The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

1645 I am going to support this amendment, for a few reasons really. I have seen all sort of different permutations around the States being paid, during my time in the States, from when I was first in the States it was means tested, and your spouse was taken into consideration, so it meant if you had a successful husband or partner, you did not actually get anything for being in the States. You were elected into the States for the honour of being in the States, and expected to give of your service without reward, if that was the case.

1650 Over the years it did change, and the system that they also had was that you had to claim for meetings that you attended. So, it was then said at that time where, that is fine if you are in a meeting you can claim, however if you actually helping a parishioner you cannot claim. But, I mean, helping a parishioner – that just comes with the job, no matter which parish you are in, or whether you are helping people in other parishes or not. That comes with the job, if you wish to do so.

1655 I mean being a States' Member is a huge honour. It is not only a huge honour, it is the only job that I know you are guaranteed an income for four years; you are guaranteed to do as much or as little as you want to do; and take off as much time; and have as many holidays as you want to do. I do not know of any other person that has that opportunity to be able to do that. So therefore, I enjoy my holidays like anybody else, but I am very proud in 22 years in the States I have only missed three half days, and two of those were for health reasons, and only half days not even full days. So, I think my record is actually before me, that yes I do have holidays, but I try to make sure that it has never affected States' meetings, and I have left my husband on holiday and come back for States' meetings, because that is how I feel I wish to be committed. That is my choice.

1660 However, the other area that I think with this report that we have got before us today, it goes against what we try to say over and over again about equality. Now, what difference does it actually make? At the end of the day we only have one vote. We all only have one vote regardless of how much work we do, we have got one vote when it comes to voting. I see in the report, and I am not going to support this either, regardless of whether the amendment goes through or not, I just think it is setting it up here for – Members of P&R are actually going to have more than the

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rest of the Members, so we are better than you, because we are going to have more money than the rest of you, you are the ones down on the back benchers and we are important.

1675 To me it is setting up a divide of friction amongst Members, because there are a lot of Members that work really hard, everybody does their best in all good faith during their time in the States, and they need to be commended for that. It is not an easy job, they have to face criticism from the public.

1680 But, I do believe that this is the answer, everybody has got a flat rate. You choose to do as much work as you want to do, and if you do not want to do a lot of work, or you do not want a title ... Why do you think it is appropriate that just because you have got a title of a Chairman you should have more money, when a Chairman has support from the staff; an ordinary Member of the States does not have support from the staff? They have to do their own letters, and do their own background work, whereas the Chairman, a lot of the time, has support at staff level, and that is not available to others.

1685 So it does balance itself out. I have worn all the T-shirts from a Deputy to a Conseiller, to a Minister, to a Deputy, and I know the difference in all the workstreams that are there, and, in actual fact, there are less meetings now – and I know there are going to be gulps around here, but there are less meetings now – than what there were actually pre 2004, when there were over 30 meetings. They were not all meeting weekly, they were not all meeting fortnightly, not all meeting three weekly, but there were a lot more attendances during those times before the machinery of Government, and that is why you were paid by the Committee for attendance, which ranged in my case from 17 meetings to 29 meetings per month, and that is how it was worked out, and that is what you were paid for.

1690 So, I hope Members do support this, because it is right and proper, I believe, for equality and nobody has any more vote than anybody else. You have got one vote in this Assembly, and in a meeting, and you should all be treated the same.

The Bailiff: Deputy Luxon.

Deputy Luxon: Mr Bailiff.

1700 For Item X of this Billet, I have made a note to sit, shut up and not participate. What on earth must the people of Guernsey think listening to some of the speeches – not that there is anything wrong with the speeches, but that any of us are talking to this subject matter? It is appalling.

1705 I know some Members will not be happy with the few words I have to say, and I certainly know not all Members will agree, because some of my Policy Council Members do not agree with the views I have got.

1710 Sir, the only, only, content of this 41-page policy letter that has any standing or meaning, is the 29 pages of the independent report. The other 12 pages, and the five pages of amendments, we should not be talking to them; we should not be laying them. (**A Member:** Hear, hear.) Once and for all this States of Deliberation should have an independent report that sets out the remuneration and the terms and conditions and sitting States' Members should not have their hand on the tiller of the destiny of their pay remuneration.

1715 It is shameful, it is inappropriate, and just because it is difficult, does not mean that we should abrogate that moral responsibility to allow others to dictate. In no other organisation, anywhere, other than perhaps Idi Amin's in the 1980's, maybe it was the 1970's – (*Interjections*) No. I am sorry, I am talking in terms of dictatorship – should you have in any Government sense an influence over your own remuneration. It is delegated to an alternative body. This body, this Assembly, and future Assemblies, should not sully themselves by getting involved in very well meant speeches, and positions of what is right, and who does what work. We are not in a position to be able to be sufficiently objective. We should allow others, an independent body, to set that, and then allow it to remain in place.

I hate to think what the people of Guernsey will think when they read about this in *The Press*. I will not be supporting any of the amendments, because I do not think we should be interfering in the process

1725 **Deputy Kuttelwascher:** Sir, point of correction, just before he sits down.

The Bailiff: Deputy Kuttelwascher.

1730 **Deputy Kuttelwascher:** Yes, Deputy Luxon has lumped five amendments together, quite incorrectly, because one of them deals with possibly amending remuneration for non-States' Members. So nearly everything he said is irrelevant to one particular amendment.

Thank you, sir.

The Bailiff: Deputy Le Tocq.

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The Chef Minister (Deputy Le Tocq): Sir, putting non-States' Members aside, I think even just spending time debating various ways in which we could seek to remunerate Members of this Assembly is actually a waste of time until we change the system in which we choose to seek an appropriate means of remuneration, and then I am totally with Deputy Luxon in leaving well alone.

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This is not perfect. I understand the logic of Deputy Bebb's proposal. I am sure he gave that proposal to the working party, as maybe Deputy Fallaize did, or has done in the past, and it was considered along with considerations from members of the public, and other Members of this Assembly. I do not think it is appropriate for us to be amending our own potential pay, because of the way in which it is set. It is not going to be perfect, because for all the reasons given, on both sides of the argument. There are very many different systems. The Jersey system, if you make comparisons with that, they have a different means of allowances, which come on top of pay which is not being brought into this equation, so we cannot make comparisons on that basis.

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Sir I have issues with the report as it stands, but I think they did a very good job, bearing in mind all the available information, and the circumstances in which we work. I think that this Assembly just need needs to accept that.

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So, I urge people to reject the amendment.

The Bailiff: Deputy Conder.

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Deputy Conder: Sir, I would like to associate myself with the comments of Deputy Luxon and the Chief Minister.

Interestingly, we all had opportunity to make representations to the panel; I did, and my representation was exactly what Deputy Bebb is proposing now, but I will vote against this amendment. Some of the most embarrassing parts of our role as Government have been discussing our own terms and conditions of pay. We appointed an Independent Panel to determine pay for the next States' Members. We may have got the terms of reference wrong, we may have not instructed them correctly. We all had an opportunity to make representations. Surely, we should respect their recommendations. Separate ourselves, separate future Governments from their remuneration, and endorse what the Panel has recommended. There is an opportunity to review in 2018, that will be for the next Government. But this is sordid, it is embarrassing, it brings us into disrepute with the rest of our community. Reject this amendment. Reject amendments that pertain to Deputies', our pay – the issue of non-States' Members is quite different.

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I urge colleagues, for the sake of the reputation of this and future Governments to reject this amendment and similar ones.

The Bailiff: Deputy James, are you standing?

1775 **Deputy James:** Thank you, sir.

Sir, with respect, I think perhaps out of all the Assembly I have had more experience of independent pay review bodies than anyone else in this room.

1780 Going back to 1986, Mrs Margaret Thatcher rewarded nurses and midwives in the NHS with an Independent Pay Review Body for their word, their promise, not to take industrial action. However, latterly it has become the Pay Review Body of the NHS covering all employees with that. Looking back since 1986, and the Minister in his opening speech, I think, emphasised the word 'independent' three times. The staff side, all the workers were very appreciative of this Independent Pay Review Body, and if you actually look back in history, some of the initial proposals of increases in pay were fairly good and welcomed by the staff. Where mayhem started, where real discord started, was when the Independent Pay Review Body submitted their recommendations to Government and Government started to interfere. (**Several Members:** Hear, hear.) That was what brought the whole situation into disrepute.

1790 I would totally agree with the words of Deputy Luxon and Deputy Le Tocq. It is unseemly for us to be spending valuable time talking about our pay. What I am dreading, as I have seen for the last three years is, dependent on the votes of this proposal today, we will be hotly pursued by the media. We will all be contacted, we will all be asked, 'are you going to accept the pay increase?' Well, there are those that join the party and say yes, I am going to say ... No I am not. I would suggest, out of respect for all of us, when the media start chasing us, no comment, it is unseemly.

1795 So I am not mindful to support any amendments on this, I think that we should bring the debate to a close.

Please remember this is an Independent Pay Review Body. (*Applause*)

The Bailiff: Deputy Gollop.

1800 **Deputy Gollop:** Well, speaking for myself, personally, I would be happy to debate this for a week or so, because I very much do not share the viewpoints of the last few speakers. I will support Deputy Bebb's amendment, even though I have reservations about the additional part of it relating to median earnings. I can see that makes a degree of sense.

1805 But you have got to remember this is a package we are putting out to people, parallel to being a public servant, or civil servant, which is to give a certain amount of certainty of income to attract candidates. If we are going to say, oh it might be this, or it might be that, or it might be depending on whether you have a chairmanship role, not a Ministerial role, of course. Or whether you stay in that office, or average incomes go up or not. We need to have a degree of clarity.

1810 Deputy James is, of course, right that political interference is undesirable, but why are we debating this in the first place. (*Interjections*) Every time since 1999 it comes before us to say yes or no to. It should not even come to us is the logic of the position of some of the previous speakers. It should be agreed and then signed off, not to this Assembly. We have a problem that it comes to us, and diverse Members have put forward, even the amendment relating to non-States' Members, of course, goes against what the independent review has said, albeit that it does not necessarily include ourselves.

1820 But the Jersey system after a fashion works. They do get many candidates to be Minister. They do get volunteers for scrutiny panels, and it has proved over time that it can work in a community very similar to ours. I think we often forget the purpose of Members' pay. It is to act as a levelling ground, and as bulwark of democracy, to encourage diverse candidates, and people from all walks of life. It is not there necessarily to reward ourselves.

I would agree with Deputy Lowe there were more meetings in the past. She has probably the best attendance record of any Member, past or present, in coming to things, and equality of outcome is desirable. I think we forget sometimes that these divisions that we make between ourselves, those with one role and those with another, are quite arbitrary, and I could actually play

1825 a violin here, and say every time the rules have changes I have always historically been on the
losing side of the changes. I think that is a point we should make. I do commend the Independent
Panel. I do think they were a balanced mix. I think more than any other panel they opened up the
1830 process. The workshops were extremely useful. They put time in. Where I would criticise, and I
would therefore chasten perhaps what Deputy Conder and Deputy Luxon have said is, this process
went slightly wrong, because I recall asking a question two years ago in the Assembly, shortly
after Deputy le Tocq had become Chief Minister, asking when the pay review process would start.
It did not start, we know, until July of last year. The Panel were not given much time to consider
the implications of their work. As a result everything has been hurried. That should not have been
1835 the case, and if we are a bit confused now, it is because the whole process should have been done
at least six months earlier.

I will give way to –

Deputy Hadley: Mr Bailiff –

1840 **Deputy Langlois:** Did I hear? I will give way –

The Bailiff: He has sat down, I think, after he sat down (*Interjection*) I think he said something
about – oh he has now said he is giving way. He has not finished his speech. He has sat down
because he is giving way to you. So, Deputy Langlois and then Deputy Hadley.

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Deputy Hadley: Could we propose a Guillotine Motion on this –

The Bailiff: Well, I don't know because we are in the middle of a speech, Deputy Hadley!
(*Laughter*)

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Deputy Langlois: Sorry, sir, I simply wish to point out that I explained in the opening speech
the process of the timing, and the timing was all to do with the timing of the States' Review
Committee. You could not actually start that work ahead of some clear idea of what direction –

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A Member: Well, you could.

Deputy Langlois: – the States' Review Committee would take, so I think it is quite
inappropriate for Deputy Gollop to say that this was just started too late, and it should have been
started right at the beginning of the term.

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Deputy Gollop: Well, I would conclude by saying that, of course, if the pay review had started
from a basis of equality for all Members, then the arguments about how we arranged beyond
being a Parliament into departments and divisions would, of course, be irrelevant.

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The Bailiff: Deputy Hadley, do you wish to propose a guillotine motion now?

Deputy Hadley: Yes, sir.

The Bailiff: Deputy Brehaut.

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Deputy Brehaut: I stood to speak, sir, as Deputy Hadley stood to propose the guillotine.

The Bailiff: Well, what the Rule says is that he may at any time, but without interrupting
another Member who is addressing the meeting, – I stopped him earlier because he was
1875 interrupting another Member, and you had not yet started to speak, so he is not interrupting your
speech at this point.

Deputy Brehaut: Thanks for that. *(Laughter)*

1880 **The Bailiff:** So, Members, I put to you the motion that debate on this amendment be closed. Those in favour: those against.

Some Members voted Pour, others voted Contre.

The Bailiff: In my view, that is a majority in favour of closing. If anybody wishes to challenge that we will have a recorded vote.

1885 **Deputy De Lisle:** A recorded vote, please.

The Bailiff: A recorded vote then Deputy De Lisle. This is a recorded vote on the Guillotine Motion.

There was a recorded vote.

Not carried – Pour 19, Contre 23, Ne vote pas 2, Absent 3

POUR

Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Domaille
Deputy Le Clerc
Deputy Parkinson
Deputy St Pier
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam

CONTRE

Deputy Perrot
Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Burford
Deputy O'Hara
Deputy Kuttelwascher
Deputy Brehaut
Deputy Robert Jones
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Bebb
Deputy Lester Queripel
Deputy Stewart
Deputy Gillson
Deputy Le Pelley
Deputy Fallaize
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Green
Deputy Dorey

NE VOTE PAS

Deputy Luxon
Deputy Langlois

ABSENT

Deputy Ogier
Deputy Trott
Deputy David Jones

1890 **The Bailiff:** Well, Members, the voting was 19 in favour, 23 against, with 2 abstentions, and as there was not a majority in favour, the debate is not closed.

If Deputy Brehaut wishes to speak, I will call him next.

1895 **Deputy Brehaut:** Thank you fellow democrats for not – for dropping the guillotine. *(Laughter)* Thank you fellow democrats. I will say Deputy Sandra James has left the Assembly Deputy Paul Luxon is still here, and Deputy Hadley is here who called for the guillotine and I have to say there is an irony in both of those speeches, and in placing the guillotine. Because that is what the public do not like actually, when they hear States' Members turn on their own, and when they hear people get to their feet to try and stymie debate.

I wanted to make a couple of very simple points.

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The Bailiff: Deputy Luxon did not vote.

Deputy Luxon: Point of correction, please. I do not know why Deputy Brehaut associated me with the guillotine vote in his opening comments.

1905 **Deputy Brehaut:** No, sir, I was referring to Deputy Luxon's speech.

There must be some mechanism under the floor in this Assembly because every time I get up there is a counter balance, and other people seem to rise. We will have to get that fixed before the next election. *(Laughter)*

1910 When I stood in 2000, I asked a couple of sitting States' Members what were they claiming, and in those you had to do attendance allowance. The two I spoke to one person was earning about £18,000, the other was earning £22,000. So the idea that way back then people were doing it for the love of being and for the ... okay, it is a vocational job, and it is an honour, Deputy Lowe is right, but the idea that people simply, it was public service and nothing else, is a slight distortion on the reality, because if we go back to –

1915 The mechanism has kicked in again – I will sit down. *(Laughter)*

The Bailiff: Deputy Lowe.

1920 **Deputy Lowe:** I just wanted to help Deputy Brehaut. They ceased the means testing after I think it was three years, but before that it was means tested and many Members did not get paid at all.

Deputy Brehaut: I thank Deputy Lowe for her informative input.

1925 Yes, so States' Members have for a time had a salary. Interesting, I as a non-States' Member on the Housing Department, I did not want to claim what was a relatively small sum of money every month, so I left it to the end of the year. Then I was told when I went to claim it that I had missed the opportunity, because you had to claim it – so that was me. That is public service in a different way.

1930 But I just want to say this, when I went to the Power of the Voice Seminar, where a number of women were contemplating standing for election, they made it clear to me that they had a problem with standing for election, because they were concerned about the income, what it paid. Now, of course, from a different point of view because they were not concerned about what they would earn ... sorry, they were more concerned about what they had to give up to be a Deputy. What they would have to relinquish, the time balance between work, because they are used to that life style and being in this Assembly and contributing. So for them they did not feel that the salary was set at a level that meant that they could give up the highly paid job. But would it not be great if we set salary at a level that meant the 30-something young men and women with child care, with mortgages, were rewarded in a way that they could come into this Assembly, and commit to this Assembly, and the people of this Island, and know that they were getting a salary that was appropriate to the task?

1940 This is a cost neutral measure. I will support this. I know in doing so we run the risk of being outed by those who, on the face of it, seem to what the media may call a hike, but it is not that. This is cost neutral and, personally, I do not think there is a different. If we reflect on the role of Ministers, if you look at the role of the Treasury Minister, Education Minister, and Environment Minister, HSSD Minister, those are difficult jobs. Those are tough jobs to do, and if we look some of the other ministerial roles they are almost invisible in the community's eyes. However, I do not see the differential between a president of a committee should be from £37,000 – that gap from £37,000 to £50,000, I do not think is right.

1950 So I will support the Bebb amendment and be prepared to take the flak that goes with it. Thank you.

The Bailiff: Deputy Perrot.

1955 **Deputy Perrot:** I am disappointed that in rising to ... if I have the effrontery to speak in this debate, I am somehow sordid, or unseemly. I do not think that is fair. The fact is, that the system is such that the policy letter is put before the States for debate. If somebody reacts to that, why is that sordid or unseemly?

1960 Let us suppose that this review Panel had come up and said well, some of the Deputies, such as Deputy Conder are so utterly brilliant they ought to be paid £200,000 (*Interjections*) a year, but the other proletariat we are not going to bother to – would I be sordid, or unseemly, to say hang on, that is not quite fair, you're actually proposing too much? That is actually what I think anyway. Just between us, (*Laughter*) when I responded to the Panel, I said that I thought that Deputies should be paid no more than a token amount. The people who really worked immensely hard, much harder in my experience, than Deputies are the Ministers because they are at it all day every day, and I saw that they ought to be paid, not a substantial amount, but a reasonable amount.

1965 Now, maybe I am coloured in my view, because when I go back – we had Deputy Mrs Lowe talking about claims for half days and all the rest of it. I seem to remember, perhaps not with great clarity, but going back to when I was in the States in the Jurassic days, that we used to be able to claim no more than £12 a quarter telephone allowance. I think that was about the limit of it. We were not able at that stage to claim per session.

1970 I do accept that Deputies do a lot. Deputy Lowe said that there were less, I think she meant fewer (*Laughter*) meetings these days than heretofore. But let me just put a marker out, it is not just meetings in the Assembly which count. It is all of the other meetings, the sub-committees and all the rest of it. In my time-honoured phrase, certainly in Treasury, there are more meetings there than you can shake a reasonably long stick at. But, anyway, the point that I was making was, that I do not think that there ought to be other than a nominal amount paid to Deputies.

1975 So I am being consistent in this meeting of the States, that I know I am in a minority of one, on just about every vote, but I do not want to sit down before I say about Deputy Bebb's amendment, that I listened to – quite often when Deputy Bebb is in Mr Angry mode I let it all sort of wash over me, (*Laughter*) but I did actually listen to what he was saying about this – and I had a Damascene moment about that. I think that he actually came up with a very good argument. The trouble is I am going to have to vote against it, because it is set much too high, in my judgement. I know that my judgement will not be shared by anybody. I am the only one who thinks that we ought to be paid only a token amount. I know that, but because of that, I cannot accept his amendment.

1980 I am not quite sure what point Deputy Mrs Lowe was making about the ability to take holidays, I do not know quite what she means by that – whether she means bunking off States' meetings. Certainly, after four years here I do wish I had bunked off more States' meetings (*Laughter*) in the last four years. I think that would make me a much better person. (*Laughter*)

1990 **Deputy Brehaut:** Was the Jurassic period anywhere related to the Jurats? It's a play on words, sir.

1995 **The Bailiff:** Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

2000 Sir, currently according to the graph on page 85, a backbencher is paid £34,355 with £2,137 in expenses. Well that is a total of £36,492, and Deputy Bebb is suggesting a flat fee across the whole States of £42,005. Well that is an increase, sir, of £5,513 for a backbencher, and I worked that out on my calculator, sir. (*Interjections*)

A Member: Was the battery in?

Deputy Lester Queripel: No, I forgot to put them in, sorry.

2005 Sir, I appreciate the result of this amendment being successful the effect would be cost neutral
to the taxpayer. But the general point of discussion, I suspect, would be that we have given the
majority of the next Assembly a salary increase of £5,513. The focus will not be, I do not think, on
the reduction in salaries to the presidents of the next Assembly. So, I do have a slight concern
about that, and the question that arises, is how much do we think a Deputy is worth?
2010 *(Interjections)*

Sir, and I want to speak in general debate as well, if I may, so I do not see supporting these
proposals as a means to ensure that I receive a salary increase, should I decide to stand as a
candidate in the forthcoming General Election, and get the support I need, of course, to attain a
seat in the next Assembly, because the way I see it, sir, is that what I am actually doing here, what I
2015 need to consider, is I need to make the role as attractive as possible to potential future
candidates.

Sir, I am a taxpayer, you are a taxpayer, we are all taxpayers. Speaking personally, I have no
objection, whatsoever, to my taxes being spent on making the role of Deputy as attractive as
possible. In fact, sir, I see it as my duty as a Member of the current Assembly to make the role as
2020 attractive as possible. Because I truly believe that every election needs as diverse a range of
candidates as possible, to give our fellow Islanders a choice.

Just to focus for a moment on the issue of whether this is a part-time job or not, my
experience these last three and a three quarter years has shown me that it certainly is not. I
appreciate some of my colleagues say, it is not a full time job, but as I have already said, sir, my
2025 experience has taught me that it is. I am sure my colleagues will recall during a speech I made in
this Chamber some time ago, in fact, I think it was not long after being elected, that I said I could
be contacted, and I was available to any member of the public, 14 hours a day, seven days a week.
In response to that Deputy Langlois said, that meant I was working for less than the minimum
wage. That is my choice, sir, and I am not the only Member of this Assembly who makes
2030 themselves available 14 hours a day, seven days a week. Of course, we do not have to go to those
extremes, but I think it is fair to say that a Deputy should expect to work 39, 40 hours a week,
whatever the definition of a full time job is these days. I know that some of our fellow Islanders
think we only do the job for the money, and we should be prepared to work for nothing, so I
realise this debate is not about whether we receive a salary or not, it is about deciding whether or
2035 not we think the next Assembly should receive an increase in the salaries.

But, just to mention, sir, I certainly could not afford to work for nothing. So, if this was an
unpaid position I certainly would not be here, and I think some of my colleagues would probably
be in the same position.

Sir, I will emphasise I was not attracted to the role because of the salary, the reason I wanted to
2040 be a Deputy was because I wanted to have a beneficial influence, or see if I could have a beneficial
influence, on the future of the Island and the community. I am sure that has been the approach of
the vast majority of my colleagues.

To focus for a moment on the role of a Deputy, because there is no job description as we know
it, and how much that Deputy should be paid for what they do. Well in a situation where a Deputy
2045 has managed to get a fellow Islander some much needed health care, or they have helped them
to resolve a problem with their income tax, or managed to get them a job, or help them to resolve
problems with noisy neighbours, maybe even to the point of helping them find alternative
accommodation, and help them get a transfer, or a Deputy has worked with an Islander and their
family in extremely delicate and sensitive situations where allegations of sexual abuse against their
2050 children have been made, and they have been threatened with having their children taken from
them, and that Deputy has sat with that family in court for three days as a McKenzie Friend, that
Islander and that family cannot thank that Deputy enough, sir. That Deputy has had a major
beneficial influence on the life of the whole family. That Deputy has helped that person and that
family to turn their lives around, how can anyone put a price on that? In a very real sense, sir, the
2055 support of a Deputy to an Islander and their family in their hour of need, in their time of crisis, is
priceless. That is why the media, and some members of the public, question what we do all day,

sir, because they do not see it. A lot of what we do is behind the scenes, because it is private, and it is personal to the people and the families involved.

2060 In closing, sir, I often use the word balance in my speeches, because to state the obvious, if something is not balanced then it must be unbalanced. In my opinion, the review Panel are suggesting fairly balanced proposals, and they help to make the role as attractive as possible for potential candidates, and our primary focus in my view should be on that.

2065 My dilemma now is, of course, this amendment makes the role attractive, even more attractive, in financial terms, but, of course, that would be to a backbencher, seeing as the amendment proposes a reduction in salaries for the presidents. So, sir, the question I have to ask myself is the figure proposed in the amendment fair and balanced, will it make the role more attractive to potential candidates in general, or do I vote against the amendment and go with the proposals in the report.

2070 Thank you, sir.

The Bailiff: Members, we will rise now, and resume at 2.30 p.m.

*The Assembly adjourned at 12.33 p.m.
and resumed its sitting at 2.30 p.m.*

**Review of States' Members' and Non-States' Members' Pay –
Debate continued –
Propositions as amended carried**

2075 **The Bailiff:** Members, we continue the debate on the amendment proposed by Deputy Bebb, and seconded by Deputy Wilkie.

Does anybody else wish to speak in the debate? Deputy Wilkie.

Deputy Wilkie: Thank you, sir.

2080 I have to say, sir, that I disagree with Deputies Luxon and Conder and James, but I do agree with Deputy Perrot. *(Interjection and laughter)* Well, I agree with a lot of Deputy Perrot's points. Yes, I would not want to be tarred with the brush that I agree with all of my good friend's points!

2085 If the Policy Council lays before the States a policy letter, then as sure as night is day it will be debated. **(A Member:** Hear, hear.) I believe it is obscene to expect Members not to debate an item put before them. As Deputy Lowe has said, that is what we are elected to do. Now if Policy Council believes talking about States' Members' pay causes an unseemly debate, then why do we not have a paper before us to debate which reflects that sort of thinking? You cannot have your cake and eat it.

2090 I have got to be honest, when Deputy Bebb approached me about this amendment; I did not bite his arm off at the time. But after some cool reflection, and careful thought, I concluded this idea of equal pay merited debate. We have a system of government that is probably the most suited to a model of equal pay. The committee system at its heart should be an equal sharing responsibility, and although I agree that there may be extra work for a president in his or her chairing role, that president can only sit on one department. Ordinary Members may be sitting on more committees, and will probably be involved with various sub-committees. It could be argued
2095 that the presidential role on one committee might not be as onerous, or more onerous, than sitting on two committees and attached sub-groups.

I believe that our new super committees will evoke even more sub-committees, and increase the work load of ordinary Members. You cannot reduce the number of Deputies from 45 to 38 without increasing the amount of time they will spend carrying out their mandated duties on

2100 committees. It is therefore a logical conclusion that a system of equal pay for all Members would be a fair and equitable solution.

Sir, I ask all Members to support this amendment.

Thank you.

2105 **The Bailiff:** I see no-one else.

Deputy Langlois, do you wish to speak then immediately before Deputy Bebb replies to the debate?

Deputy Langlois: Yes, please, sir.

2110

The Bailiff: Deputy Langlois, then.

Deputy Langlois: Thank you.

2115 Sir, my main comments relate to the position of the Policy Council. I would just correct one, well I say correct, just elaborate on one comment that has been made, in case there is misunderstanding among the public about this. When the link is made with median earnings, and there is a comment that if median earnings go down, the income would not be reduced but would stay the same, we must point out that any catch up after that – so if they went down one
2120 year and then went up by slightly more the next year – States' Members would end up at the same point as they would have if it had gone up in both years. It is very important. That is, I say 'standard practice' – there is no such thing in negotiation of wages, but it is a sort of accepted practice that if there is a build-in of an indexation and you do not let wages go down, that when the catch-up occurs in the index you do not then overtake everybody else. So, that I think is just one important factual point to say.

2125 I will make no other comments about the personal comments about the report, and the reason I make no other comment is, independent means independent. The recommendations are there for early review. I know we are going to look at an amendment possibly to change that, but they are there for early review with due cause, because of the change in the system of government that we are about to go through.

2130 Members have had plenty of opportunity to place their evidence and thoughts before the Panel, and many of them have. In fact one Member I believe, who spoke this morning, has made three submissions to the Panel and attended two meetings. So they have had plenty of chance to have their say.

2135 The whole point about it is this is independent, and this is a judgement call from a Panel who have taken all of the evidence into account. So, please reject this amendment. I think there is something that the Policy Council could note for the point at which this all gets accepted, and that is that the terms of reference for the interim review could, potentially, with the right mechanism for seeing it through, be such that that is not subject to States' debate, and as a departing Deputy I would recommend that. I agree with quite a lot of things that have been said
2140 this morning. We should not be debating this here this morning.

The Bailiff: Deputy Bebb.

Deputy Bebb: Thank you, Monsieur le Bailli.

2145 First of all I would like to take into account Deputy Luxon's comments. May I suggest that a comparison between a Deputy elected in this Assembly bringing an amendment which is financially neutral to the States, and who firmly believes that such an amendment will lead to a greater participation in candidates standing for election is no comparison with Idi Amin, whose *Wikipedia* page, just a cursory glance, states thus:

Amin's rule was characterized by human rights abuses, political repression, ethnic persecution, extrajudicial killings, nepotism, corruption, and gross economic mismanagement. The number of people killed as a result of his regime is estimated by international observers and human rights groups to range from 100,000 to 500,000.

2150 If Deputy Luxon wants to participate in hyperbole, may I suggest that – someone who has murdered up to 500,000 people – on the eve of Holocaust Memorial Day is probably an inappropriate time and this is an inappropriate place to be making such comments. I do not give way.

2155 **Deputy Luxon:** Point of correction, if I may, sir?

Deputy Bebb: No –

The Bailiff: Well, he is ...

2160

Deputy Luxon: Point of correction – you have no choice about the matter, Deputy Bebb. *(Laughter)* This may take some time, sir, Deputy Bebb may want to take his seat.

2165 **The Bailiff:** There should be only one person standing at a time, yes. Deputy Bebb should sit down when a point of ...

2170 **Deputy Luxon:** Sir, Deputy Bebb misquotes what Deputy Luxon said. Deputy Luxon said that the governance issue of awarding oneself pay would only be undertaken by somebody like a dictator, like Idi Amin. He did not make the reference in the context that Deputy Bebb has just explained. I accept his apology. *(Laughter)*

Deputy Bebb: In no way do I apologise, because the comparator was made.

2175 Regardless, I move on to the other comments that were made in relation to the independence of this report. Here is what we actually have as a problem. The States of Guernsey frequently talk about 'independent' as though it had a ring of virtue around it, such as a halo around a saint's picture. It does not necessarily mean it to be correct.

2180 Deputy Sandra James made comment in relation to other independent pay review committees, but, of course, we should not ignore that IPSA – the Parliamentary Authority for Independent Pay for Members of Parliament in Westminster – two years ago royally stuffed up an independent pay review. Nobody, except those who were wilfully either incompetent or malicious, could come up with a salary proposal that increased the salary, but reduced the overall package for Members of Parliament, therefore leading to great opprobrium, and dragging the political process into that independent review. We cannot imagine that independence by its very nature is somehow virtuous. It is not. We have every right, and we are indeed elected with a mandate to agree on the salary of the next States.

2185 Now, I would also suggest that Deputy Fallaize in his comments, talked about playing around, I would counter that this does not play around with the salary. This is a fundamentally different approach. I think that what would be playing around are some of the other amendments that will be laid later, and they indeed are playing around, and yet I note that the intention of the States' Review Committee is to support some of those. Therefore, I am a little surprised to hear the term 'playing around'.

2190 Now Deputy Burford made a very good point. I think that it was Albert Einstein who described the description of, I cannot remember if it was either madness or stupidity, as to be repeating the same actions – *(Interjection)* Insanity. I thank Deputy Green for that – insanity was to be repeating the same actions, expecting different results.

2195 I have to say, how many times have we discussed in this Assembly how we would like to see a diversity of people standing for election? We keep talking and making reference to the fact that we should increase participation, and we would like to see an increase in women being elected to

2200 this Chamber. We talk about an increase in diversity from younger people, from diverse situations, and indeed I was very privileged to have a meeting only last week with someone who is disabled who wishes to stand for election. Yet one of the largest factors in determining whether people stand for election is pay. If we cannot discuss pay, how on earth can we address the issues of participation? We are tinkering at the edges, without addressing what is an essential question to a lot of people as to whether or not they can stand. That is salary.

2205 Now, I do not propose that my system is perfect. In no way do I suggest that. But I would suggest that as it provides a greater degree of financial certainty for anybody being elected, it is likely to have a positive influence on those people who could consider standing for election. Therefore, I think it is important that we do discuss pay, very openly, and very honestly. There are no deals being struck in smoke-filled rooms here. We are having an honest public debate, and that is how it should be.

2210 Deputy Lowe also made a few comments in relation to variations of pay, and here is one thing that I do not believe anybody has counteracted. There is a £27,000 difference between the salary of the Chief Minister and an ordinary Member, according to the proposals, and yet not one person can justify that. If we question those very simple premises that not one person stood up in order to try and justify it, I have to ask are we that enamoured with an independent review that we do not think it worthy of having a reconsideration.

2215 Now then, Deputy Lester Queripel was asking the question of how much are Deputies worth, and, of course, there is no possible way of answering that. We need to move away from the opinion that this is a salary remuneration based on the amount of work that people do. It is not. Members are elected into a position, and then they are remunerated for that position. The amount of work that Members do will vary. That is as true of Ministers, Chief Ministers, as it is of any other Member in this Assembly. It is therefore only right for us to think, is it actually right that we place a certain value on other things, or do we simply state that you are elected to a position of Deputy, you are remunerated accordingly, and then what happens beyond that, is something that happens beyond that?

2225 I think that Deputy Wilkie makes a very good point in relation to the number of sub-committees that have appeared. I know that sub-committees can sometimes take up a huge amount of people's time, and I think it fair to say that just the position of being a Minister is not in itself a valuable measure for the amount of work.

2230 Now, the other thing that I would say in relation to the financial certainty for Members, is that we have a slight change in the number of Ministers over the last four years. I believe that we have had two Chief Ministers, three HSSD Ministers, two Environment Ministers, we have had two Home Ministers, and two Deputy Chief Ministers. We have also seen two Chairmen of Scrutiny and underneath that level, in our current system where it is remunerated, we have seen a huge number of Deputy Ministers, Vice-Chairs, come and go. That is not a financially sustainable pointer in order to try and encourage people to stand. I would suggest that when someone is elected they need to have some certainty.

2240 I think that I should speak of my personal experience. When I stood, I was advised, and I took the advice of the pay review four years ago, that this was a part-time position. It was not long before it became apparent that it was an awful lot more. The work here was incompatible with my other employment. I do not believe that I had a choice of giving up this position, and therefore I gave up the other. But then we are looking at this whole merry-go-round of whether or not I actually get elected into this or that or the other. When it came to this election I thought to myself, do you know what, if I were to be elected as a Minister or a Chairman of a committee I could contemplate standing for election, but I cannot contemplate standing for election if the remuneration is £37,000. For the avoidance of doubt, I am *not* intending to stand for election, and therefore I have no intentions of benefiting from anything in this amendment.

2245 Therefore, I would also suggest that those people who say that what we would be voting for is a £5,000 pay rise, do not expect the headlines to be different tomorrow. The headline will be that you have voted for a £4,000 pay rise already, because that is what is being recommended by the

Independent Panel. There is always an unfortunate spin, a cynicism that could be placed on anything.

2255 The truth is that this is a cost-neutral measure that, I believe, would provide the financial stability that would see an increase in participation, and I would encourage Members to therefore support it, if we are to see a different make-up in this Assembly.

Thank you.

The Bailiff: We vote then on the amendment proposed by Deputy Bebb, seconded by Deputy Wilkie. *(Interjection)*

2260 We will have a recorded vote, Greffier.

There was a recorded vote.

2265 **The Bailiff:** Well, Members, while those votes are counted, I propose that we move on with the next amendment to be proposed by Deputy Gillson, seconded by Deputy Lowe.

Amendment

In Proposition 1, to delete 'President of the States' Assembly and Constitution Committee' and insert immediately before 'All other Deputies':

'President of the States' Assembly and Constitution Committee £42,832*.

Deputy Gillson: Thank you, sir.

2270 This is a very simple amendment, and is best explained by asking two questions, the first one is, is it appropriate for the Chairman of SACC to have the same remuneration as the President of a Principal Committee? **(A Member: Pour.)** *(Laughter)* For me the answer is no. The level of activity, responsibility, both budgetary, and policy, at least in the public's eyes for provision of service, are not in any way comparable, and although it is not an unimportant role, I think the activity and responsibility of the Chairman of SACC is not comparable with that of a President of a Principal Committee. Therefore, I think that having the same remuneration is not appropriate.

2275 That brings me to the second question. What should the remuneration for the Chairman of SACC be? Well, there is no definitively right answer. There is no definitively right method of calculating the remuneration. So the approach we have taken is to calculate the percentage increase in remuneration between a Minister and the proposed amount for the President of a Principal Committee, a comparable between the old and new system, and applying that percentage to the current maximum remuneration of the Chairman of SACC, which would mean
2280 that the remuneration going forward would be £42,832, rather than £50,000.

It seems a logical correction of what I think is a fundamental misunderstanding of the responsibility of SACC, and I hope the Members will support it.

The Bailiff: Deputy Lowe, do you formally second the amendment?

2285

Deputy Lowe: I formally second, and reserve my right to speak, sir.

The Bailiff: Deputy Langlois, do you wish to speak at this stage?

2290

Deputy Langlois: No, I will speak later, sir.

The Bailiff: Any debate?

Yes, Deputy Fallaize. *(Laughter)*

2295

Deputy Fallaize: Thank you, sir.

Now, the thing is that we could, I suppose, go through all of the roles, and we could try to make our own judgements about the work load or the level of responsibility. Deputy Brehaut alluded to it this morning, and I will be more blunt about it.

2300 At the moment, there are Ministers and there are Ministers. Quite obviously, the Minister of the Treasury & Resources Department does not carry the same level of responsibility as the Minister of the Culture & Leisure Department. That is not a criticism of the Minister of Culture & Leisure, but it is a fact. I do not suppose there are very many Ministers who carry the same level of responsibility as the Treasury & Resources Minister does.

2305 But yet we are not, I do not think – I hope not – going to try to make a value judgement, trying to grade the responsibility of each and every role. If we were, I would say that the offices in the next States of the Presidents of the Trading Supervisory Board and of the Development & Planning Authority, if we are going to create a completely new tier of remuneration, this level of £42,832, they probably ought to be in there as well. Why is it that the President of the States' Assembly & Constitution Committee needs a new tier of remuneration all to itself?

2310 But, of course, Deputy Gillson, in his amendment, has not sought to try to evaluate the responsibility of any other role. That is the problem I have with the amendment.

I do not think, as I said earlier, that the States should play around with the rates that are set. I think that the responsibility or the work load that is carried does depend very much on the individual. Different people go about their roles in different ways. It is true to say that the Chairman of the States' Assembly & Constitution Committee would not carry out the same level of work as some of the busier Ministers, purely in terms of the role of SACC. My experience in this term, the Chairman of SACC was a member of the Review Committee *ex officio*. Now if you add those two roles together, I would not say the level of responsibility is as great as some of the Ministers, but certainly the work load is reasonable.

2320 So, I would not have chosen to debate this, if I had had the choice. It puts me in a slightly uncomfortable position, given that my current role is chairing this committee, but I do not see any overriding reason why my successor's remuneration should differ – that uniquely, that role should differ from the levels of remuneration which are proposed by the Independent Panel.

2325 What I can say is, if this amendment is successful, I will lay other amendments, because, I take the view that the States should not fiddle with the proposals of the Independent Panel, but if the States is going to fiddle with the proposals of the Independent Panel, I will lay amendments certainly in respect of the President of the Planning Authority, and the States' Trading Supervisory Board, and possibly in respect of other positions, because if we are going to get into the position where we are here today on the floor of the States determining what individual offices in the next States should be paid, uniquely, separately, from the proposals of the Independent Panel, then fine, if that is what the States want to do, then we will be in that kind of debate, and I will lay other amendments.

2330 But I do not think that is the best outcome. I think the best thing to do is accept the proposals of the Independent Panel, and for that reason I would ask Members to reject this amendment.

Amendment by Deputy Bebb and Deputy Wilkie:

Not carried – Pour 9, Contre 32, Ne vote pas 3, Absent 3

POUR

Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Burford
Deputy Brehaut
Deputy Gollop
Deputy Sherbourne
Deputy Bebb
Deputy Lowe

CONTRE

Deputy Perrot
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Deputy Harwood
Deputy Kuttelwascher
Deputy Domaille

NE VOTE PAS

Deputy Luxon
Deputy Robert Jones
Deputy Le Pelley

ABSENT

Alderney Rep. McKinley
Deputy Ogier
Deputy David Jones

Deputy Langlois
Deputy Le Clerc
Deputy Conder
Deputy Parkinson
Deputy Lester Queripel
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Trott
Deputy Fallaize
Deputy Laurie Queripel
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam

2335

The Bailiff: Before I call the next speaker, I can just announce the result of the voting on the amendment proposed by Deputy Bebb, seconded by Deputy Wilkie: 9 votes in favour, with 32 against and three abstentions. I declare the amendment lost.

Deputy Luxon.

2340

Deputy Luxon: Thank you, Mr Bailiff.

Sir, I do not have any particularly well defined views on this policy letter or amendment – like heck! (*Laughter*)

2345

Sir, Deputy Fallaize is an incredibly powerful speaker in this Assembly, and once again we are doing something we absolutely should not do: we are allowing articulate Members in this Assembly to start influencing proposals around our own remuneration, which is why 'who guards the guards? The guards cannot guard themselves'. We need external independent oversight to make these awards.

2350

Deputy Fallaize is absolutely right, we should not interfere with this Independent Report, we should not be discussing the proposals in this policy letter, we need to change the system, and we need to it quick.

Thank you, sir.

2355

The Bailiff: Deputy Conder, then the Chief Minister.

Deputy Conder: Thank you, sir.

2360

I will be very brief. I think Deputy Gillson caught the key issues really, in saying there is no definitely right method, there is no right definitely wrong method. Of course, that sums it up. We had an Independent Review Panel and we should endorse its views, and we should endorse its recommendations.

2365

Can I say again, in the same way as I did earlier, there is a review scheduled, if we approved these Propositions, for 2018. Surely we have to allow the recommendations of the Independent Review Panel to be implemented, to see how they work, and then review them in the context of a brand-new system of government, to determine what the right levels of pay are, and then invite another Independent Review Panel, without interference, but properly briefed, with a proper level of expertise, with proper access to all of the information it needs to make those recommendations.

2370 Colleagues, can I just make this statement now. We have now spent twice the amount of time on our own pay as we spent on Measuring Relative Poverty and Income Equality in Guernsey and Alderney, and we are still debating the second amendment. (**Several Members:** Hear, hear.) Thank you.

The Bailiff: Deputy Le Tocq.

2375 **The Chief Minister (Deputy Le Tocq):** I could not agree more, and I want to just sit down now, so maybe I will.

2380 These sort of amendments, to be honest, I am as interested in them as I am in the sort of question when somebody shows you a strange colour and says, 'is it blue or is it red?', and you have an argument about it depending on how your eye sees it. It really does not make any difference, because at the end of the day no system is going to be perfect, and we could argue about it depending ... In fact we are *changing* our system, sir, and so actually it is not appropriate for us to double guess at whether the role of the President/Chairman of SACC in the future will be equivalent to this, that or the other.

2385 Sir, I was a Chairman – I cannot remember what it was called in those days – the person who tried to bring order in the PSRC years ago, when it was first set up, and it was remunerated below the other committee president levels, and when I did not stand in 2008 my successor on the Review Panel, or the Review Panel chose that my successor should be paid the equivalent of a Minister. Was I upset? Not at all, of course not – there was not any hint of that at all, because ... No, the point is there is not a right or wrong answer to these things, and I completely agree with Deputy Conder, who has just said, let us not spend any more time doing this. It is bringing us into disrepute. I do not believe it is the right thing. We have got very much more important matters to deal with. Let's give our attention to those things.

2395 **Several Members:** Hear, hear.

The Bailiff: Deputy Bebb.

Deputy Bebb: Thank you, Monsieur Le Bailli.

2400 I think rather than to debate whether it is red or green, I think it is more whether it is blue and black, or whether it is white and gold, which seems to have taken a great interest of most of this Island for a long period of time.

2405 What I would also say to Deputy Conder is, I find it really childish and unfortunate (*Interjections and laughter*) to actually be talking of equating the length of time of debate with import. Of course it is not. We have the ability to debate with length of time a number of issues, and a great deal of what is exceptionally important in terms of the work of international tax treaties, which is possibly some of the most important work for the continued wellbeing of the finance centre here in Guernsey, receives little, if any, debate because this is accepted, and therefore to imagine that because we did not debate the Tax Treaty with Bulgaria this morning, we do not think it is important is nonsense. I would like to stop that kind of thing. (*Laughter*)

2410 Now, in relation to this particular amendment, I think that it is the question that always comes to mind: what is fair? Of course, to actually come to a judgement as to what is fair is patent nonsense, because anybody who occupies any of the positions can do as much or as little work as they wish. It is perfectly possible.

2415 The means of removing a Deputy are very, very, very limited. Therefore we have to get used to the idea that these are positions, and I have to say that when it comes to a position, I see no particular reason, as Deputy Fallaize said, why this particular position merits less money than what has been suggested. Were I to be devising it, I think it is quite evident from previous amendment what I would have proposed, and therefore I am stuck in the position of saying, well, if we do not like that system that is unfair, do I like this system that is unfair, or another one?

2420 All I would say is there was a clear mandate to keep the pay structures simple, and in that key criterion, the Independent Panel have come up with a simplified version of remuneration, as compared to the current arrangements. All I would say is therefore, in that instance, I think that it is simplified, and for that I think it should be welcomed. Therefore I am minded to not accept this amendment.

2425 Thank you.

The Bailiff: Following a request I have received, those who wish may remove their jackets. Deputy Dorey and then Deputy Lowe.

2430 **Deputy Dorey:** Thank you, sir. I will be brief. (**A Member:** Microphone.) Sorry.

Independent does not mean it is correct. The States have always accepted that a Panel's proposals have to be brought back to the States, and they have been amended in previous times, because it has not seemed to be correct. So I just do not accept that argument, that just because somebody is independent they have produced a correct solution.

2435 I would like to ask the Proposer just to explain why he has only amended Proposition 1, and not Proposition 2, which relates to the Alderney Reps, because it does not seem to be consistent, because the SACC President is grouped with the Presidents of the Principal Committees in Proposition 2, but he has not separated it for that. So, I would have thought that he would have amended both Propositions if the logic was correct.

2440 But I do accept that the responsibility of being President of SACC is different to being President of the Principal Committees and therefore I will vote for this amendment.

I think if you go back to 2012, or perhaps it was previous to that, the logic of why the Ministers were paid different to the Chairman of the Standing Committees was the fact that they were members of the Policy Council, and therefore they had an extra responsibility. Obviously that situation will not exist from 2016 onwards, but I still think the job of being a President of a Principal Committee does deserve a higher remuneration to the President of SACC, and for that reason I will support it.

2445 Thank you.

2450 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Thank you, sir.

This is an interesting one. For me this one is quite easy to make a decision on, because you have to look at the position of the Chairman of SACC, rather than the personalities involved, as well. We all know Deputy Fallaize loves writing reports, he loves getting involved, he was delighted to do the report for the Review Committee, which was beyond SACC, it was nothing to do with SACC. But if you forget about the Review Committee – I know it was *ex officio* and we were invited to do so, and that is fine – but if you just look at the work of SACC, and just go back to last term, I can remember Deputy Fallaize taking the mick out of Deputy Rihoy, who was Chairman at the time, about being on a minor committee and not having much work to do because it was just SACC, and there was nothing else he had to do.

2460 So you cannot say one time well, it is really, really busy –

Deputy Fallaize: Point of order, sir, that is because, as Deputy Lowe will well remember, all the other Members were doing it. (*Laughter*)

2470 **Deputy Lowe:** No, no, no. No. I mean, no, that is unfair. (*Interjection and laughter*) No, it is unfair. It is unfair. No, I am not prepared to allow Deputy Fallaize to get away with that. Deputy Rihoy did attend the meetings the same as Deputy Fallaize. (*Laughter*) What Deputy Rihoy did not do was get involved in lots of other things like Deputy Fallaize likes doing, and that is fine. That is

not a criticism, he enjoys doing it, and enjoys writing reports, whereas when I was on SACC previously, the staff did the reports and wrote them.

2475 So, I really do think you have to forget about who is doing it currently, because he enjoys doing that, and look beyond. States' Review Committee is now finished, virtually, and that next term it will be just SACC, and you all know, or you should know, certainly those that have been in the States before, it is not a major committee. There is no way you can equate that as the same as the current Departments, let alone they are going to be busier yet, because we are bringing the 10 down to six, and how can you equate that work load of a chairman of the new committees in the same bracket, and in the same breath, as SACC? It just does not weigh up.

2480 I am astonished that the Independent Review Pay Committee actually went down this route. I do beg the question how much time they spent on it. If they actually felt that that was appropriate to put that in the same bracket, I do not know who persuaded them to do so, or how they came to that conclusion. If we are talking about colours, it is like black and white – it is nowhere near the same as the new chairman of the States' committees in the next term. The work load is completely different.

2485 I therefore ask Members, sir, to support this amendment.

The Bailiff: Deputy Gollop.

2490 **Deputy Gollop:** Yes, when I first got wind of these proposals, my initial response was a little bit like some of the Members we have heard, thinking that maybe SACC was, metaphorically speaking, the joker in the pack here. But I think there are three snags to this perhaps well-meaning amendment, which is why I will not support it.

2495 The first is to all those Members who have spoken out of principle, saying it is generally wrong to interfere with an Independent Panel once you have created it. This is clearly a kind of micro management, on quite a detailed level, as well, going far beyond the previous amendment.

2500 The second reason is as Deputy Lowe and others have hinted at, the activity of a Committee like SACC is partly dependent on the issues raised, we have been in a great reforming mode this term, but also on the personalities who sit on it and the officers that support them, of course. Perhaps this particular chairman, who sits amongst us, has been especially hard working, and I would point out here that it would not be unfair to suggest that some of the policy letters we have had have been shaped by the Members, in a way that is not necessarily done in every Committee. I think it is what we need, and in this instance, the States' Review Committee, which I believe was a totally unpaid role, and will probably have to continue in the next States in one form or another, was of course so linked to SACC as to mean that there was a major stream of work along with the normal streams of work.

2505 But there is, of course, another more overwhelming reason for not changing this, and that is before we even speculate on whether SACC, in the future, could evolve into not just a parliamentary committee, but one that considered how we can improve government at the level of practices, and committees, and boards, and facilities for States' Members and so on. But, I think we have lost sight of the rationale for payment in the first place. We are not paid on market rates, because it is debatable what market rates are for politicians, and we are not really paid according to status. The pay that is given, adjudicated by this Assembly, does not bear particular regard to people's circumstances, and as Deputy Bebb has hinted, there may be some Members there who would find it easier rather than less easy to have an uplift in their salary if they are prepared to work for the States and give of their time.

2515 I think we have really lost our way on pay generally, but perhaps that is more a matter for general debate.

2520 **The Bailiff:** I see non-one else rising.
Deputy Langlois, do you wish to speak?

Deputy Langlois: Very briefly, sir.

2525 I would just remind people before they are seduced into voting for this tinkering type of
amendment – sorry, that is a personal comment, not a Policy Council comment – that in 7.31 and
7.32 the rationale of how this was reached is laid out. I can relate very much to some of the
comments being made in favour of this amendment, but the time and the place is wrong for
doing this sort of adjustment, in my view, and the Policy Council's, I believe, view as clearly
expressed by the Chief Minister earlier, that we should accept the Independent Review Panel's
2530 recommendations, stands.

I think there is one other point to be put on record, of course, with the unamended, which we
hope will be the case, date for the review there is every possibility that this sort of finer tuning of
one or two of the posts could be done during that mid-term review.

2535 **The Bailiff:** Deputy Gillson.

Deputy Gillson: Sir, first I can assure Deputy Langlois that I have not been trying to seduce
him. *(Laughter)*

2540 In replying to this debate there are three issues. Is the Panel's proposal appropriate? If not, is
our proposal appropriate? And we should not amend recommendations of an Independent Panel.

Well, regarding the first two, I think I agree with Deputy Conder, there is no right or wrong. I
just think the level recommended in the recommendations is wrong, and what we are
recommending with this amendment is more appropriate.

2545 Now, regarding the contention that we should not amend the recommendations of an
Independent Panel, this is probably the best reason for not supporting the amendment. Indeed, in
the past I have held that opinion. In the last Assembly, when we were debating the current pay
arrangements, Deputy Ogier and I disagreed with what was proposed. We drafted an amendment,
we had even circulated it, but at the last minute we decided to heed the advice of not amending
proposals, and that is because we were trying to make a fundamental change in what was being
2550 proposed.

I mention that to illustrate that I did not draft and propose this lightly. My starting point is a
reluctance to amend the Panel's recommendations. However, I think this situation is slightly
different, in that it is not a wholesale rejection, it is not a wholesale reworking, but it corrects a
specific recommendation, which does not have a lot of logic to it.

2555 Sir, I will now quickly go through comments from Members. Deputy Gollop, it is not, I do not
think it is micro-managing; it is setting the pay of the States. It is what the report is all about, it is
not as though it is affecting operational matters.

Deputy Lowe, thank you for seconding and supporting this.

2560 Deputy Dorey, thank you for supporting. In answer to your question, hands up, a straight
oversight, I did not think of amending that one.

Deputy Bebb, you like the current proposals because of their simple structure. I think with their
simple structure, they are too simple, and putting this one tier in for SACC does not make it overly
complex, but corrects an anomaly.

2565 Deputy Le Tocq, no system is perfect. Absolutely right, but we can avoid an obvious
imperfection, which I think this does.

Deputy Conder, and a comment that Deputy Langlois mentioned, in 2018 there is a review, and
we can do that after the new structure of Government has bedded-in. Well SACC does not really
change with the new structure of Government. Its role remains the same, so we know what the
responsibilities and roles of Chairmen of SACC are going to be. So we do not need to wait until
2570 2018 to evaluate them. We know what they are.

Deputy Fallaize mentioned, in another good speech ... An interesting technique, trying to get
people not to vote for something by threatening to place more amendments – that is a new one.
Now why only have I looked at the SACC one. Well, partly because I was Vice-Chair of SACC, so it
is one of the roles I know quite well, just the amount of work and volumes of activities that go

2575 through there. It is interesting that Deputy Fallaize made reference to the work of SACC, and the
Review of Government, and that is correct, but the Review of Government structure was not a
SACC responsibility. In fact, my recollection is that the resolutions drafted by Deputy Fallaize,
creating that committee, explicitly said the membership of the committee would not attract
2580 additional remuneration. So it is quite poor to now use the fact of that work as justification for an
increase in remuneration, when the original recommendations were based explicitly on no
remuneration.

But, in summary, sir, ultimately the work load responsibility of the Chairman of SACC is
significantly different. It is significantly less than the President of a Principal Committee. I think
most Members would accept that.

2585 I think it is such a difference, and I think such a glaring misunderstanding or error on the part
of the Panel, it justifies correcting. So I urge Members to support this amendment.

Thank you.

The Bailiff: We vote then on the amendment proposed by Deputy Gilson, seconded by
2590 Deputy Lowe. Those in favour? (*Interjections*) You would like a recorded vote.

There was a recorded vote.

The Bailiff: Well, Members, while those votes are counted, we will move on to the next
amendment to be proposed by Deputy St Pier, seconded by Deputy Perrot.

Deputy St Pier.

Amendment

In Proposition 4:

(a) To delete 'should be £2,000 per annum and'; and

(b) To insert at the end of the words:

'and should be:

a) In the case of the States Trading Supervisory Board, £8,000 per annum;

b) In the cases of those other Committees, £2,000 per annum'.

2595

Deputy St Pier: Thank you, sir.

Sir, this is a Treasury & Resources amendment. As such, it is something that we have discussed
as a board. It is being moved by myself and Deputy Perrot rather than the Deputy Minister,
Deputy Kuttelwascher, because Deputy Perrot and I are the two members of our board who serve
2600 on the Supervisory Sub-Committee, which is the closest analogy, or the pre-cursor I guess one
would say, to the States Trading Supervisory Board, hence the logic in the two of us moving this
particular amendment.

Sir, we too had the debate around our table whether it was appropriate to bring this
amendment at all. Again, exactly the same arguments as have already been posed in relation to
2605 seeking to amend the recommendations of an Independent Review Panel. However, sir, we
became comfortable that there is a distinction between seeking to amend the recommendations
which affect States' Members, and those which affect non-States' members, and we could the
arguments which Deputy Luxon, and others, have presented that we should play no part in
amending our own pay and that of our successors should hold, but there is a clear distinction with
2610 non-States' Members.

So I think it is worth just spending a moment just examining the current process for dealing
with non-States' members, because that helps underpin perhaps the Independent Review Panel's
thinking and indeed, sir, why we feel they have got it wrong, slightly wrong, in this case.

2615 Sir, the Rules are set out in the blue pages of the Members' Gold Book, page 7, section 2, and
they are relatively straightforward. They provide that non-States' members receive £65 per half
day. So far, so good.

2620 However, it applies to any member of a States' Department, committee or non-Governmental body, or properly constituted sub-committee, and sir, in seeking to operate these Rules on behalf of the States as the Department which processes claims, there has clearly been some inconsistency and uncertainty, I would suggest, about whether some non-States' members have been entitled, and which bodies this applies to, because of course, our pink pages deal with some non-governmental bodies, such as the Ladies' College, Elizabeth College, and so on.

2625 The second issue is, again the Rules themselves which deal with, for example, not having more than one allowance in respect of meetings attended in any one half day, so if you have two meetings in one half day you can only claim one allowance. That seems straightforward.

2630 Where there is no adjournment for a meeting for the purposes of taking a midday meal, an allowance shall be payable in respect of one half day only. So, in other words if you have no lunch break you can only get one allowance; if you take a lunch break you can get two. Now that seems slightly bizarre. I do not know whether that has ever been applied in any kind of way. Nonetheless, it just shows you perhaps the Rules that the Independent Review Panel were looking at.

2635 **The Bailiff:** Members, can I ask that you concentrate on the Minister. There is so much background noise I am almost struggling to hear what he is saying at times, and I wonder whether other Members are having difficulty too.

2640 **Deputy St Pier:** Sir, the Rules also provide that applications should be received by the Minister, not later than the last day of the month next following the period in respect of which the application is made, and they have to be made by... the periods related to are the last day of the month of March, June, September and December. So you have to claim within one month of that period ending, and the Rules are very clear, applications received after the time limit specified above shall not be granted.

2645 Now, I am very well aware that a considerable number of non-States' members have been caught out by this, during this term. Non-States' members sitting on the Public Accounts Committee, HSSD and Education, have all, effectively, fallen foul of that very clear Rule, and I think that has been unfortunate.

2650 So, I think the Independent Review Panel is absolutely right to seek to try and simplify it, and understand the rationale, simplify the remuneration for non-States' members. They have come up with this proposal of having a single flat rate of £2,000 per annum, and also, of course, it is only to be paid to the non-elected members of the committees which are set out in Proposition 4. So all those other bodies, all those other non-governmental bodies, sub-committees and so on, will be excluded. So, there is no ambiguity any more, in the application of the Rules, if the Propositions are accepted, and many non-States' members who currently serve in various position will no longer be entitled to receive any remuneration, and that is the clear recommendation.

2655 Sir I think it is also worth just setting in context, Treasury & Resources experience with non-States' members, because, of course, we do have a non-States' member on our main board, but we have made considerable use of others on an *ad hoc* basis on various pieces of work that we have looked at, and, of course, we have used another six, quite regularly, on various sub-committees. Now to my knowledge, none of the non-States' members on the Supervisory Sub-Committee have claimed their *per diem* rate under the existing Rules. They made that clear, sir, from the outset. So, we are all very well aware that there are members of the community who wish to serve the community in these kind of roles and will do it without remuneration.

2665 So, I am sir, quite sure that we will be able to get members to serve, indeed without pay at all, or for £2,000 per year on this board. But the recommendation, sir, was not to continue, either with a *per diem* rate or indeed for there to be no pay at all, and I think if that had been the recommendation then we would not have sought to bring this amendment.

But, sir, we feel that the Independent Review Panel has overlooked the fact that this board is rather different to the other committees which are set out in Proposition 4. In particular, the non-elected members will be voting members of that committee, unlike the other committees, and

2670 they will, of course, carry a greater responsibility than the non-States members of the other committees. They will, effectively, be overseeing eight trading businesses, and they will be, to all intents and purposes, acting as the directors of the unincorporated businesses, such as Guernsey Water and the Harbours and so on.

2675 So, it is simply that anomaly, sir. As I say, had the proposals been somewhat different, for no remuneration at all, or for to continue the *per diem* rate, I am sure we would have felt comfortable. But it is simply that having gone down the route of a simplified flat rate per annum for all non-States' members, we do feel it is appropriate to bring to the attention of the States, and give States' Members the opportunity to correct that anomaly at this stage, and we do feel comfortable doing so on the basis, sir, that we are not interfering with our own remuneration, or that of our successors.

2680

The Bailiff: Deputy Perrot, do you formally second the amendment?

Deputy Perrot: I do, sir.

2685

The Bailiff: Deputy Langlois, do you wish to speak now or later?

Deputy Langlois: I will speak later, sir.

*Amendment by Deputy Gillson and Deputy Lowe:
Not Carried – Pour 6, Contre 36, Ne vote pas 3, Absent 2*

POUR

Deputy Brouard
Deputy Lester Queripel
Deputy Gillson
Deputy Laurie Queripel
Deputy Lowe
Deputy Dorey

CONTRE

Deputy Perrot
Deputy Wilkie
Deputy De Lisle
Deputy Burford
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Parkinson
Deputy Bebb
Deputy St Pier
Deputy Stewart
Deputy Trott
Deputy Fallaize
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam

NE VOTE PAS

Deputy Luxon
Deputy Robert Jones
Deputy Le Pelley

ABSENT

Deputy Ogier
Deputy David Jones

2690 **The Bailiff:** I can announce the result of the voting on the amendment proposed by Deputy Gillson, seconded by Deputy Lowe. There were 6 votes in favour, 36 against and 3 abstentions. I declare the amendment lost.

Any debate? No. No debate. Well, in that case Deputy Langlois, do you wish to speak now?

2695 **Deputy Langlois:** Suddenly, very briefly, sir!

Yes, on this occasion, sir, the Policy Council position remains the same that this should be regarded as an Independent Report, and should not be amended.

2700 Personally, as I said in the opening statement, we also stipulated that people should be able to vote according to their conscience, and I am quite happy to accept the distinctions being made by T&R that we are not talking about States' Members' pay here, we are talking about non-States' members' pay, and if the judgement of the Treasury & Resources Committee is as stated by the Minister, then I am willing to accept that, and I shall be supporting it.

The Bailiff: Deputy St Pier, do you wish to reply?

2705

Deputy St Pier: Other than to thank Deputy Langlois for his personal support, sir.

The Bailiff: We go to the vote then on the amendment proposed by Deputy St Pier, seconded by Deputy Perrot. Those – oh, a recorded vote.

There was a recorded vote.

2710 **The Bailiff:** We will move on now to the next amendment to be proposed by Deputy Bebb, seconded by Deputy Wilkie. An amendment marked amendment 'A'. Deputy Bebb.

Amendment

To insert a new proposition 7A as follows:

'7A. To direct the Treasury and Resources department (and its successor committee) to make a reasonable adjustment provision, in line with the policy of the Civil Service, available to any deputy from the 1st May 2016.'

Deputy Bebb: Could I ask that the amendment be read, please.

The Bailiff: Yes. Greffier, could you read Deputy Bebb's amendment – amendment 'A'.

The Greffier read out the amendment.

2715 **The Bailiff:** Deputy Bebb.

Deputy Bebb: Monsieur le Bailli, I am unsure, given that there will be, albeit, a very minor financial cost, is it at this point that we need to suspend the Rules in order to facilitate me to lay this amendment?

2720

The Bailiff: Sorry, I had overlooked that. We need to suspend the Rules, you are right, before this can be laid. So, the Proposition is, Members, to suspend the Rules – Rules 13(2) and 15(2) and any other provisions of the Rules of Procedure – to the extent necessary to permit the amendment to be debated and take effect. Those in favour; those against.

2725

Some Members voted Pour; others voted Contre.

The Bailiff: I believe that was a vote on favour, but if anybody wishes to challenge that, then ...
(**A Member:** It was.) It was a vote in favour. Thank you for that. (*Laughter*)

2730

Deputy Bebb: Thank you, sir.

The Bailiff: In that case, the Rules are suspended to enable the amendment to be laid.

2735

Deputy Luxon: Sir, may I ask you, on *aux voix*, if one does not want to vote, one does not have an option does one?

2740

The Bailiff: No. So that is why you never say that it is unanimous. (**Deputy Luxon:** Thank you.)
All one can say is in the Latin term *nem con* – no-one against. One can never say a vote *aux voix* is unanimous, but one can say no one voted against. (*Interjections*)

Deputy Bebb.

2745

Deputy Bebb: Members, as I said, last week I had the great privilege of meeting with someone who has a disability and is thinking of standing. I believe that it is only right and proper that if we are to seek to encourage people to stand for the States, and they were to be successful in election, the last thing we can do is say, 'Well, congratulations, we are very pleased that you are here now, because it increases our diversity. There is the tick in the box, now go away.' It is wholly unfair, it goes to the very principle question of whether it is fair – not whether it is equal. Equal treatment would be unfair in this circumstance.

2750

It is obviously very, very difficult to put a quantum as to the amount of money that would be necessary. It depends on how many Members would be elected, what the particular disabilities would be, but to give an example, if someone were to be partially sighted, then it is quite possible that they will need to have a very large screen, with specialised software that would blow up the image with great clarity, as opposed to what we use, which is perfectly acceptable for our eyes.

2755

That piece of software, along with a screen, could come in the order of about £800 to around £1,000. But, it is only right that having been elected, they have the tools necessary to carry out their duties. Otherwise we would be giving them Billets that they would not be able to read, and that really would not be fair.

2760

I do not expect this debate to be particularly long, because I hope that all Members will actually accept the amendment.

Thank you.

The Bailiff: Deputy Wilkie. Do you formally second it?

2765

Deputy Wilkie: Yes, and I reserve my right to speak, sir.

The Bailiff: Thank you.

Deputy Langlois.

2770

Deputy Langlois: Yes, sir, I will speak now.

Amendment by Deputy St Pier and Deputy Perrot:

Carried – Pour 27, Contre 13, Ne vote pas 4, Absent 3

POUR

Deputy Perrot
Deputy Brouard
Deputy Wilkie
Deputy Inglis
Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Parkinson
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Trott
Deputy Fallaize
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam

CONTRE

Deputy De Lisle
Deputy Burford
Deputy Soulsby
Deputy Sillars
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Deputy Bebb
Deputy Lester Queripel
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre

NE VOTE PAS

Deputy Luxon
Deputy Robert Jones
Deputy Conder
Deputy Le Pelley

ABSENT

Deputy Ogier
Deputy David Jones
Deputy Green

The Bailiff: Just before you do that, I can announced the result of voting on the amendment proposed by Deputy St Pier, seconded by Deputy Perrot: 27 in favour, 13 against, with 4 abstentions. I declare that amendment carried.

2775

Now, Deputy Langlois to speak on this amendment.

Deputy Langlois: Yes, sir.

As Members will know, but people outside of this Assembly will not, these amendments were laid quite late, and on Monday Policy Council meeting we did not have the opportunity to discuss, in fine detail, the amendments. But I was made aware of them before, and I can say that in broad terms, the Policy Council would support this amendment. I think, for the reasons laid out anyway, that it is within the wording, and I think it would be totally anomalous, having passed the Disability Strategy unanimously and introduced a Civil Service policy, which is now, I believe, written and in operation, that if this were not applied in this situation.

2780

2785

So, I think we should support it.

The Bailiff: Chief Minister.

The Chief Minister: Yes, I just echo that, and say that we already have some form of reasonable adjustment here. Deputy Perrot is using one of them in his ears at the moment, and I think sir, your good services and your predecessors have always ensured that some degree of reasonable adjustment within this Assembly, certainly, is made possible, and that should be certainly spread out across the whole gamut of responsibilities that a Deputy has. So, I am certainly personally very supportive of this initiative.

2790

2795

The Bailiff: I see no-one else rising. Deputy Bebb will respond.

Deputy Bebb: Thank you.

2800

I think that all I have to say is that obviously I have put it in line with policy of the Civil Service so that we do not reinvent the wheel. It is there and we can utilise the Civil Service in order to

facilitate what is already in place, and therefore, I think that is making it obvious that it is simplifies it, that we do not have a different set of rules, and a different adjustment for different people. We have this in place for the Civil Service and we can utilise them.

2805 Members, I hope that you can support the amendment.
Thank you.

The Bailiff: We vote then on amendment 'A' proposed by Deputy Bebb, seconded by Deputy Wilkie. Those in favour; those against.

Members voted Pour.

2810 **The Bailiff:** I declare it carried.

The final amendment, unless any more are laid, is to be proposed by Deputy Bebb and seconded by Deputy Brehaut.

Amendment:

In proposition 10, to delete the date '1st May 2018' and insert in its place '31st January 2020'.

2815 **Deputy Bebb:** Thank you, Monsieur le Bailli.

I think the amendment is self-evident. It moves the date of having to hold the next pay review through until 31st January 2020. It means that, of course, the next Assembly will have the opportunity to have an Independent Panel convened mid-term, should they so wish. But it is also fair to say that to tie the next Assembly to having to have a review of their salary mid-term could be less than opportune – especially if median earnings drop, and therefore, all this amendment does is extend the time period so that should the next Assembly choose, of course, they then do not have to hold another review into salary until the end of the next term, in line with what has been common practice for the past number of terms.

2820 Thank you.

2825

The Bailiff: Deputy Brehaut, do you formally second?

Deputy Brehaut: I rise to formally second and reserve my right to speak.

2830 **The Bailiff:** Thank you.
Deputy Langlois.

Deputy Langlois: I will speak later, please, sir.
Any debate? Deputy Fallaize.

2835

Deputy Fallaize: Thank you, sir.

I would just like to make the point in response to the many Members who have expressed disquiet, dissatisfaction, at having to debate the remuneration of States' Members, that the most simple way of not having to debate it in future – and Deputy Luxon has just come back in the Chamber, I hope he takes this point on board, because he has perhaps been strongest of all in expressing disquiet about the nature of this debate – the simplest way to achieve it is just to vote against Proposition 10.

2840 I have never understood why every four years there must be a review of States' Members remuneration. I can understand it when there are changes to the machinery of government, but I do not understand why, if what is being laid before the States here is the proposals for the remuneration which will apply from 1st May 2016, and there is also in that, built in, an annual adjustment. Now, why on earth does the States need to convene another Panel, whether it is 2018

or 2012 to go through the whole exercise again? I remember saying exactly the same thing in the corresponding debate four years ago.

2850 Now, if the States, with or without Deputy Bebb's amendment, because it is to Proposition 10, reject Proposition 10, then the rates of remuneration which are set out here, and which presumably will be accepted by the States, will just continue to apply, effectively in perpetuity, but of course, it will be up to any future States, the Policy & Resources Committees of the future, to decide that circumstances have changed, or that perhaps 10 years has passed since the last review, and there needs to be a review. I do not understand why it is necessary to oblige the next States to go through this fairly self-defeating exercise every four years. So, I think Deputy's Bebb's amendment is probably a slight improvement on the proposals, because there is no great advantage to carrying out this review mid-term, rather than towards the end of a term, but my overall view is why should we oblige another review to be commissioned, whether in 2018 or 2860 2020?

Therefore, sir, I will probably vote in favour of this amendment. But I will definitely vote against Proposition 10, and I hope that all the Members who have expressed disquiet and dissatisfaction about having to go through this sort of self-defeating debate will do the same.

2865 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

I think when you are outside of this Assembly looking in, time can appear to move very slowly, and things seem to plod along. But when you are in here, then sometimes things can appear to move at the speed of light. Not frequently enough probably, but I remember some new faces being in here almost four years ago, in the ... what was it, the Sarnian Spring or the Sarnian spring onion or does it just feel like that? (*Interjections*) But whatever it is or was, time has passed very quickly, and I think to have a review, bearing in mind what we are doing with the system, to move to a system of presidents again and to a true committee-based system, I think that it is simply not an adequate time period to do an assessment mid-term.

2875 I take on board Deputy Fallaize's points actually. But if we are going to do this, I think let's do it nearer the end, rather than mid-term, because I think by the time people have taken their seats, by the time the system has proven it can work, that may be just a bit too early to ... 'tinkering' is possibly the wrong word, but let's get it up and running, and working, for a long period before we try and do any further re-appraisal.

2880 Thank you.

The Bailiff: Deputy Gollop.

2885 **Deputy Gollop:** Sir, at the top of page 67, it says clearly:

'7.34 The Panel therefore recommends that the President of [SACC] should be remunerated at the same rate ... and that the chairmen and presidents of the other bodies listed above should not.'

Which in a way is surprising, because I would consider that Planning might have a significant role and so on. But it says:

'However, as above, it further recommends that this situation is reviewed after the new system of government has been in operation for a period of time.'

The period of time suggested being two years.

2890 Now, one of my attitudes, especially in recent times, is that the political system is not moving at a fast enough pace. (*Laughter*) Deputy Luxon laughs, but I actually would go back tomorrow to a three-year system, rather than a four-year system, and I throw my hands up in horror at the thought of a five-year term of office. Because the quicker the turnover of elections and members of boards, the better the outcome, because you are less likely to have this build-up over four

2895 years, massive turnovers and so on. I think a bit like Island wide elections, and Sunday trading, and quite a few other matters, that we debate perennially, States' Members' pay is an issue that has not been resolved – especially, with the new system.

We know, we have heard enough already today, that some of the younger Members of the States, and some members of Douzaines, and some professional men and women across the community, regard that the pay levels in the States are too low to be attractive or desirable. Then again we equally hear from many vociferous people, especially the older generation and people living on fixed incomes, that our pay is probably too high.

The Bailiff: Are you straying into general debate again?

2905 **Deputy Gollop:** Oh well, up to a point (*Laughter*) but my argument would be that we need the review sooner rather than later, and having this debate within a few days almost to the general election, as we did last time and we are doing this time, puts pressure on Members who decided to retire, and it puts pressure on Members who might be standing again. Therefore, we never get a proper open debate in a measured fashion. That is my first point.

2910 My second point is I am particularly impressed by Deputy James' arguments about NHS pay reviews and pay bodies, and how political interference is neither wanted nor desirable in that. But, I am sure that when pay reviews of professions are done in the UK, or elsewhere, they either use specialists in the area, there are professors in this area, or indeed systems like the Hay Evaluation, We do not. Every time we choose distinguished –

2915

The Bailiff: Are you straying again?

Deputy Gollop: – members of the community. I do not think that is the right way of doing it. I would prefer a review in two years' time, talking to Human Resources for professionals, who deal with comparing rates of pay, parliamentarians, and civil servants. We should not leave it until the end of the day.

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The Bailiff: Deputy Dorey.

2925 **Deputy Dorey:** Thank you, Mr Bailiff.

I will support this amendment, for the reason that in June 2017 the States will debate and make resolutions on the Principal Committee policy plans, so the first year of the new States they will be concentrating on developing and producing their policy plans, and they will then be carrying out those policy plans, and I think it is too early in the cycle of a new system to fully understand the workload.

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So, I think we need longer to ensure we have a thorough understanding of the workload, and the review committee which is then set up, can make the correct decisions based on that understanding. So, for that reason I will support this amendment.

2935 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, I cannot support this amendment because it seems to me that there is only one thing worse than the next Assembly having been instructed by this Assembly to carry out a review, and go through this unedifying spectacle again, and that is the next Assembly deciding to do it itself, without any direction from those of us here today. That would look even worse.

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Clearly, there will need to be amendments. I suspect one such amendment will be the need to increase the amount that we will be paying those non-States' members who sit on the States' Trading Boards, because the vote in favour of the Treasury & Resources Department Minister's amendment was significant. I think Members realise that is going to be a very onerous task and £8,000 per annum for the workload that is anticipated remains woefully inadequate.

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But there is another reason, sir, why we should encourage a review to be carried out in 2018, and that is so that the next independent review can recognise the errors of this one's ways, and correct the ludicrous amount that we intend to pay the States' Assembly & Constitution Committee President next time round. Well, no, I do not think we ... If I may, sir, I do not think we should in any way tamper with the pay that is set by the independent review. That is not to say that I do not think they got it *completely* wrong with reference to the Chairman of SACC.

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So I would encourage Members to reject this amendment.

Thank you, sir.

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The Bailiff: There is no-one else. Deputy Langlois.

Deputy Langlois: Thank you, sir.

I will not try to unravel the logic of the last speech, I think that would be a challenge!

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I think, sir, in this case, yes, interesting input from Deputy Fallaize here, in terms of just simply not voting for Proposition 10. It would be a big step today, it would be a change, a little bit on the hoof.

Can I just give a little explanation before the summing up on this amendment. In this particular case, I have looked into the background of how this came about, and the Panel was very firm in its consideration that the limited knowledge of the practical working of the new system was what was driving it to say we should review sooner rather than later. Now as I said earlier, I think that that review could also include, and probably in my opinion *should* include, the consideration that we look at the whole way in which we look at these things, and there should not be then these debates after that point. But I do accept the Panel's view, in this case, that it should be looked at sooner rather than later.

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My logic in terms of the voting here, is if you delay it till 2020, we are back in the same old same type of debate, which many of us have experienced twice now, and there are uncomfortable aspects of it. I think the pattern here is we should go with the Panel view as first choice, and that we also should vote against the amendment, if there is going to be a review make it earlier rather than later.

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If you feel inclined to make a major change to the way this is done, on the hoof today, then follow Deputy Fallaize's advice and vote against Proposition 10.

The Bailiff: Deputy Bebb.

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Deputy Bebb: Thank you, Monsieur le Bailli.

I think that Deputy Fallaize makes a certain number of good points. However, I think that I will respond to those in general debate, because they do concern the whole matter as opposed to just this amendment.

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In relation to this amendment, the amendment does not prevent the next States from having a review in 2018. Neither, if I may, does it prevent the States from doing what I would suggest to be a slightly more coherent approach, which is in 2019, so that we have a greater degree of time for the next States in order to understand the workings, but also we do not have it, as we have done over the last two terms, right here so close to an election that it may cause the controversy of being an election issue. I think that Members should embrace the opportunity to debate again States' remuneration given a new system of government. But it should have the choice, and that is why this amendment affords a choice, which would not be afforded if we go with the original proposals.

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I would suggest that 2018 is probably too early. I would also personally say it really does call into question a number of issues, in my mind, but nothing from this amendment prevents it from happening in 2018, if the Policy & Resources Committee, as it will be then, deems that that would be appropriate. There is nobody preventing it from happening. It is simply giving the option of

extending it through until the end of the term. Therefore, I believe that it is a sensible and modest amendment. I hope that people will therefore be able to support it.

Thank you.

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The Bailiff: We vote then on the amendment proposed by Deputy Bebb, seconded by Deputy Brehaut: Those in favour; those against.

Some Members voted Pour, others voted Contre.

The Bailiff: It seems to me that was defeated. So I declare that lost.

Those who have not spoken in general debate, does anyone wish to do so? Deputy Brouard.

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Deputy Brouard: Thank you, sir.

Just a couple of comments. I do appreciate we had this difficulty, that we had the Independent Report laid to us, and then we feel obliged not to touch it, 'we must not play with our food' type of issue. I think that is – I think to be honest, I think we are mature enough now, and old enough, that there is some good input from the 47 of us into the pay review. I think if there is something that is wrong, or they have not picked up, it is not necessarily that it is their fault. They are three independent people coming together to look at a snapshot of the States. Some of us, most of us, have been here for some time. We can give some extra input. We know where the busy areas are, and where there are difficulties. But I do take the point that Deputy James made this morning, that it does not look necessarily very edifying, but I think there is some good advice we can give, and I hope that I will pass some of that across.

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One issue I think would be very difficult, I think some people have mentioned that we could have the review in 2018 and then amend our pay, but I think that it will be very difficult for incumbent positions, especially if there is to be decreases in pay. So I do not think that is a possibility. I think we will end up, if we do have the review, which it looks like we are going to, in 2018, that whoever is here then will be saying it will be in effect from two years' time, rather than immediate.

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I think one area where there the committee, perhaps, looking at our pay, perhaps missed something. I think the Treasury Minister has been able to move an amendment with regard to the States' Trading Board. I did try and bring the States' Trading Board up to be a full committee. I think it is going to be a very busy role for whoever is chairman of that committee. It is one of the key interface committees with the public. It is harbours, it is mooring fees, it is road closures, it is the water works, it is the electricity – all the places where people have a view from our Islanders. And I think to have that just as a flat rate from an ordinary Deputy I think is a tall order, to be quite honest.

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So in the review, and we have been asked to put forward proposals where we think things may be looked at. I think that is one area where the chairman of that particular committee needs to be looked at.

So, thank you very much, sir.

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The Bailiff: Deputy Lowe.

Deputy Lowe: Just a couple of small points, sir, that I wanted to raise.

I will be voting against number 6, because I am still uncomfortable that we have an automatic annual pay increase based on median earnings – very unlikely to go down. At least we have got that opportunity to come out of it again, like we had this term. But I am disappointed it is there as a standard proposal, bearing in mind those in the private sector do not have that luxury.

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The other point I want to make is number 7, and I have concerns here. It is:

'7. To direct the Treasury and Resources Department (and its successor Committee) to continue to provide States Members with standard information technology equipment and software.'

3045 I raise that, sir, because, and I would like some assurances – it is going to have to be from
Deputy Langlois, or probably it needs to be more directed at Deputy St Pier, if he is able to answer
or stands up to speak; if not perhaps you would address that – inasmuch as some of us States’
Members attended a website presentation this week, and by default, it then came out about the
equipment that States’ Members will be provided for electronic equipment for next term. There
3050 was a great resistance when we heard what they were trying to implement for next term for
States’ Members.

Now, I have concerns at that because we have not been involved in this, and this will be just
taken as given to the new States’ Members. Not only is some of it some old software and we have
difficulty now with the software that we have actually got on the iPads, and it may not be even
3055 better in the next States.

So, I would like assurances from Deputy Langlois that current States’ Members will be involved
in some form of consultation, to establish what it is you are trying to go for, for the next States,
because certainly there was a rejection by most present at the presentation last week – which was
a shame, because it was there to talk about the website. But the IT equipment overtook that, and
3060 there was a great resentment for what was actually being proposed.

Thank you.

The Bailiff: Deputy Trott.

3065 **Deputy Trott:** Sir, I rise for one reason, and that is to extend my personal gratitude to the
members of the IPRB for their work on this issue.

Thank you, sir.

A Member: Hear, hear.

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The Bailiff: Deputy Bebb.

Deputy Bebb: Thank you, Monsieur le Bailli.

I think that I would like to actually talk about exactly the same issue that Deputy Fallaize
3075 actually mentioned, which is in relation to continuity.

I have looked at various other mechanisms that are employed around the British Islands for
remuneration of pay, and most Members will be aware of IPSA, primarily because the way that
they stuffed up the last pay review. But they probably are not aware of how the Welsh Assembly
determine independent pay.

3080 They have a committee that is formed, very much as our committee is formed, but, they have a
paid chair of that committee that remains in post. I think it is something that we could possibly
learn from, because at the moment, this review is possibly one of the least changed reviews of
salary that there has been. Last time round we changed from a system that had remuneration
based on how many committees people sat on. We saw a removal of States’ pension made
3085 available to Members. There is a number of changes that happen, and if we constitute a
completely different set of people once every four years, we should not be surprised that they
come up with wholly different ideas.

If someone is to be attracted to stand for the States, then they need some financial certainty,
and there is none. We can all say that you have four years of financial certainty, but in all honesty,
3090 the idea of any continuation also needs to be in place. It is very disruptive to play around with
salary like this, and every time another idea comes into place. But there is no continuity, which is
why I find these independent reviews so difficult.

Now, I echo the concerns raised by Deputy Lowe, I think that equipment should be a subject
that needs to be looked at slightly more carefully. I am aware that there are moves afoot – they
3095 are slightly draconian, to say the least, and I do not think it is the place of any committee to be
imposing restrictions on elected Members. The committees are there to facilitate elected

Members to conduct and complete their work and their duty. They are not there to place draconian measures on top of them to prevent them from doing as they wish. I think it is important that we remember that is there as an assistance and nothing else.

3100 In relation to the pay, I think it is very obvious from the amendments that I have laid, that I did not feel that they actually got it right on this occasion, but there is a review that will happen mid-term, and on this occasion I disagree with Deputy Fallaize that we should vote against Proposition 10. I think that it is required on this occasion, given a different structure of the States. It is fairly obvious that the salary remuneration is based very strictly upon the structure of the States. To think that they got it right, without experiencing it, is probably false, and therefore Proposition 10, on this occasion, does have merit. Whereas I agree that on other occasions, if we were to see no change in the structure of States, I do not see the need to revisit this question, which many Members feel uncomfortable with.

3110 That is the final point I want to get to. Why on earth do we feel uncomfortable? People say that we should not be discussing our pay, but apparently, according to this independent review, we are self-employed, and every single self-employed person discusses their salary on a regular basis when they commission work. When they actually bid for work, that is their salary.

3115 Four times this term we have had an opportunity to vary our salary, because we vote on the Budget. Members are free to bring amendments to that Budget on every single occasion. There is no getting away from it, because of our structure of government, that the States are sovereign. We cannot get away with just trying to wash our hands. I would suggest that washing our hands and setting up a wholly independent mechanism where States' Members would have no say would be a grave error. I honestly believe that what the UK Parliament in Westminster have done is a grave error in setting up IPSA. I think that other Assemblies agree with that statement. Hence the reason that we have other Assemblies that come to a similar position that we do.

3120 We are a mature democracy, and surely we are capable of dealing with these matters maturely. I think that the debate today, on the whole, has been a reflection of that maturity. I think that to try and imagine that by setting up an independent commission we wash our hands, we do not, because every year that Budget question comes up, and therefore it is not possible for us in our structure of government to do so.

3125 Thank you.

The Bailiff: Deputy Brehaut.

3130 **Deputy Brehaut:** Thank you, sir.

Just very briefly. I know Members were horrified when so many representatives stood up and wanted to speak on this subject. But what has been clear is a number of people who have spoken today, who have made it clear they are not standing again, were talking about a package that new Members who arrived at this Assembly would find acceptable. So, it has not been about discussing our own pay; there are a large number of people in this room who have said that they will not be standing again, and wanted to set a level that attracted people who were committed to the role.

3140 We did hear earlier from a representative that if – from a Member, sorry, sir – that the job is sort of vocational, and we should take a nominal or token amount. To remind Members, you can claim as much or as little as you like. This happens to be the only job that I have. I have a young family and a mortgage and other things to look after. For the people who are at a different stage in their life, who may have income, earnings, rental accommodation, and are in a different position, they may reflect on whether they want to take the entire package that is offered to them.

3145 Thank you.

The Bailiff: Deputy Luxon.

Deputy Luxon: Thank you, Mr Bailiff.

3150 Sir, back in 2012 when we had this debate, I did say in my speech that I would bring a Requête
to make sure that it never happened again. I regret that I was dissuaded from doing that over
time. In fact, one very experienced senior officer, who is here helping the Deputy Chief Minister
today, had done some work himself on this very subject. But I was persuaded by the Chief
Minister, the current Chief Minister, to not bring a Requête, and wait for the States' Review
committee findings. I do regret that I did not bring that Requête, because we have had this
3155 debate again today.

I had Her Majesty's Comptroller whether or not she could advise of any cunning plan to
consider laying an amendment myself, which clearly I would then be involved in this debate, even
more so than I already have been. But she could not. But I am reminded by Deputy Fallaize that
Proposition 10, if we do not support that, then we do allow future States' Members not to discuss
3160 their pay again, because of course, a rolling position will be in place that was at least derived at
from an independent panel.

So I would encourage all 45 Members here today, because I think there are two missing, to not
support Proposition 10 and at least end this debate on a high note.

Thank you, sir.

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I just want to emphasise this point about Proposition 10, because the recommendations, the
Propositions do not propose remuneration for the period 2016 to 2020. They just say with effect
3170 from 1st May 2016. So they will remain in place unless and until the States decide to change them.

Even the act of having this debate is self-defeating, irrespective of any decisions that are made.
It is very difficult even to maintain that the Panel is independent, because people say, 'Well, who
appointed them?' and you say, 'Well, States' Members appointed them', that does not sound very
3175 independent. It just is not necessary. It is tortuous, it is unedifying, and there is nothing that can
be gained from it.

Now, the point that Deputy Bebb made, I think is important. Every four years a different group
of people are asked to carry out this review, and the nature of people who carry out reviews is
that they want to go right back to the beginning and look at everything afresh, and that is what
3180 has happened in every pay review there has been. Before 2004 the States did not used to have to
go through these sorts of debates every four years. The States went years before there were
perhaps small adjustments made to remuneration or allowances. It just was not a feature of every
four-year term. But since 2004, every four years a new panel arrives and their instinct is to want to
have a look at everything all over again.

Now, Deputy Bebb is right to say that that does not provide any certainty for anybody who is
considering entering local politics. We get totally preoccupied about the level of remuneration,
which I do not think is necessarily key to a person's decision whether to stand. One of the big
issues is the lack of certainty in politics, because you only have a four-year term. That lack of
certainty is added to if the basis of remuneration is changed every four years. Now,
3190 commissioning a review is worse than ever, because whereas 10 or 12 years ago, the States were
in the habit of playing around with the Independent Panel's recommendations. That States went
through a phase of doing that. Now, as Deputy Gillson and others have found out, it is basically
impossible to amend, in any substantive way, what an Independent Panel puts before the States,
because everybody says, we ought not to be playing around with the proposals of the
3195 Independent Panel. That is the overwhelming view that the present States, and the previous
States, and I think the States before that as well, has taken. So, it really is a complete waste of time
to oblige the next States to commission this independent review, and then force this kind of
debate on the next States.

Deputy Trott says that one or two of the offices may not be remunerated correctly, in the next
3200 States, under these proposals, and he may very well be right about that, but that does not need a

whole independent review to change, and this kind of debate. If it is found that the, let's say, the President of the Trading Supervisory Board ought to be remunerated more than is proposed here, or the members of that board who will not be Members of the States ought to receive higher rates of remuneration. You do not need a whole independent review looking at the remuneration of every single office to achieve that. The Policy & Resources Committee would no doubt come to the next States, I do not know when, in 2018, 2019 or early 2020, and say that under the present terms of the remuneration that office attracts *x*, actually experience has shown it should be *y*, please increase it by whatever it is, with effect from July 2020. Why do we need a completely fresh review with a completely new set of reviewers every four years, to put our successors through this kind of debate, out of which nothing good can ever come?

If, in the light of the system of government changes, it is found that the Independent Panel has got it completely wrong, and that is not going to happen, because it is quite clear that they have got it broadly right – they may have got one or two offices wrong, but generally speaking it is not a million miles away – but if, in the light of experience it is found that they have got it completely wrong, well then the Policy & Resources Committee will turn up in 2018 or 2019 and say, 'Actually on reflection we really do need a comprehensive review in advance of the next election, so please commission that.'

But what is the point or the purpose in us today voting in favour of Proposition 10, and saying we do not want to give the next States any choice whatsoever – the Policy & Resources Committee must be directed to set up another independent review of remuneration so that the next States can have exactly the sort of unedifying debate that this States has had, and that the States are now in the cycle of having every four years? It is totally counterproductive. It is totally unnecessary (**A Member:** Hear, hear.) and therefore in my view we should definitely vote against Proposition 10.

Deputy Langlois: Point of correction, sir.

The Bailiff: Yes, Deputy Langlois.

Deputy Langlois: Sorry, I am desperately trying to find the place, but I think Deputy Fallaize has inadvertently misled the Assembly, by saying that we are going to vote for another independent review. It says there should be a further review of the remuneration of the States Members. I am not claiming anything about the implications of that. I am just pointing out that the word independent does not occur.

Deputy Fallaize: Well, it does. Proposition 10 says:

'To direct [P&R] to set up an independent review of the remuneration to be paid to States' Members...'

Deputy Langlois: I am reading the recommendations, my apologies.

Deputy Fallaize: Ah, but the Propositions do say independent.

Deputy Langlois: My apologies, sir.

The Bailiff: Deputy Adam.

Deputy Adam: Thank you, sir.

Sir, I am not really responding to this debate, but I am responding to a question that Deputy Lowe asked in relation to IT equipment for States' Members from May 2016. As she said, we discussed some of this at the meeting that was, basically, to inform us more about the Government website, and it drifted into this field for quite some time.

3250 At that meeting, I apologise to Deputy Lowe and Deputy Soulsby, because I got it slightly round the wrong way. I said there is one piece of equipment, but there is not; there is one overall budget put aside for equipment, and the value of the budget is the equivalent as if everyone got the most expensive piece of equipment.

3255 As far as equipment is concerned there is a Revolve laptop, tablet, and an Apple iPad. What I will do is formulate a proper letter, and send it round to Deputies, so that they have all the information that we have. There is a pamphlet been written to be handed out to all new Deputies already.

3260 Why these bits of equipment? It may seem unreasonable for me to simply say it is because that is what is used within the business at the present time. In other words, that is what is supplied to other workers who work for the States of Guernsey. Whether the iPad ... as Deputy Soulsby said to me, the iPad is not much use for general use. It is basically for reading emails etc. But, I will get all the information, and hopefully, that will give Deputies an idea of what is being planned to supply for next term.

Thank you, sir.

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The Bailiff: Deputy Soulsby

Deputy Soulsby: Sir, yes, I did not say – in response to Deputy Adam, I did not say that iPads were not used for much more than emails. In fact, I am probably one of the heaviest users of the iPad in this Assembly and – *[Technical interference]* It's not me.

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A Member: It's your iPad. *(Interjections and laughter)*

Deputy Soulsby: It probably is! Managing to get January, February and March Billets on to it has been quite an adventure.

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No, my issue is more to do with the ability to back up the system, and I am not quite sure whether the States and the T&R, who have been looking at this, have really considered how they have set the iPads up as the best means for States' Members to use them.

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The Bailiff: Deputy De Lisle.

Deputy De Lisle: Sir, several Members have been critical of this debate, in terms of interfering with the numbers that the Independent Panel recommended in terms of salary in the next term. But I believe that the public would feel that their States' Members should actually take a look at these numbers that have been presented by an Independent Panel, because who else is representing the public in this area?

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I also believe that many in the public would consider the numbers here quite rich. With austerity being a plank of this States, supposedly, people would consider that some cuts in spending should be looked at in the next term, particularly given the current state of the economy, and the current state of the world economy at the current time.

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Now, what we have here is simply a cut of £280,000, which is basically equivalent to the salaries that would have been drawn by the Members that are being taken off the roll, if you like, of the future States. In reality, there has not been any consideration to cutting spending at all by this States for the future. I think this is something that should have been considered. It should have been considered by that Independent Panel, and it is something that I think has to be remarked on, that these numbers hiking to £65,000, to £50,000 for Ministers, and up to £37,000 for others is quite a significant increase, at a time when the economy generally, globally, is not as buoyant as would be reflected perhaps by the numbers that are being introduced here by the Independent Panel.

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Thank you, sir.

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The Bailiff: I see no-one else rising.
Deputy Langlois will reply to the debate.

3305 **Deputy Langlois:** Thank you, sir.

Much though I would like to be extremely brief about this, there are number of not exactly questions, but points raised here, that I think have to be answered. So bear with me.

3310 Deputy Brouard talked about the time when the new rates would apply and so on. The new rates could apply in 2018. There is a chance in that review to tailor the remuneration to the new system, and to address the sort of anomalies which he has outlined. So I think that one, certainly the Propositions as they stand give the opportunity for that, although they have other downsides, as people have said.

3315 Deputy Lowe, I am sure that alongside the explanation given by Deputy Hunter Adam, T&R will, at the very least, have noted the comments about the IT and will be taking another look at that in due course.

3320 The point was also made, and this is perhaps an area where people have been restrained about in terms of the way that the public look at increases. The point was also made about the problem of linking it to an indicator. The type of indicator is almost irrelevant, you can link it to a cost index or an earnings index, and so on. We have had that we have been there with Social Security, we have been there with the pensions, we go there regularly with Members' pay, and so on. There are a couple of points around that that are very important for people to remember. If you fix it for now, for four years, then inevitably the presentation to the public of the next rise is going to look large and inflationary, whatever you do, and therefore the preference has been, and I would very much support that preference, for saying no. If it is linked to an index, which we cannot have any influence over, that is truly independent. It is a figure that appears, we cannot do anything about it, that is what it is, and if we link it to that, then there is a steady rise.

3330 I dispute Deputy Lowe's comment that the private sector do not have that luxury. They have a different system. In some firms, in some companies, and in some wage settlements which the public sector make, deals are made for longer than one year, and they are often linked to an indicator. In other places, it is all a matter of annual pay negotiation. If you think we should have an annual pay negotiation with Deputies, then I am even more pleased that I will not be here to witness it. That really would be deadly. It does not bear direct comparison with the sort of organisation that was being mentioned.

3335 Deputy Bebb is entitled to think that the Welsh Assembly does things better. I make no comment about that. The self-employed aspect, I think to make that link between 'well, it is self-employed, but we are not allowed to talk about it', and all the rest of it, is not quite on the button, because the reason for the self-employed words is the way that the Social Security Law is written – and the Panel did speak at length to the administrator of Social Security, and the only way we can be classified, according to the way the Law is written, is as self-employed. I have had objections to this in the past, and it is all to do with Law. Frankly, the effort of changing the Social Security Law solely to sort out the salaries of what will be fewer than 40 people is way out of proportion. So that is where that one comes from.

3345 Deputy Brehaut, just for the avoidance of doubt, for candidates who might be thinking of standing, and for returning Deputies, whoever you may be. Deputy Brehaut said, well actually you can claim as much as you like. Take a little bit of care with the generality of that statement. One of the efficiency points to be made by the Panel was that we got ourselves in a right old mess, and I was involved in another part of that, for the simple reason that it was at a point at which a particular group of our employees had to swallow quite a nasty low settlement, because they had made a two-year settlement, and then the index worked against them. At that point the media, as is their wont, decided to turn that on Members, and Members then started making different statements and decisions, some for political purposes, others for much more high standing moral standing purposes, of saying 'Well I will accept a pay rise', 'No, I won't', 'I won't', and then next year, well, do you get the pay rise from the base point, or the next one, or whatever? To be

3355 honest, the amount of work that has gone in by pay roll on our salaries, to effectively sort out lots of individual settlements, was quite ridiculous.

So, if you refer to paragraph 7.69 on page 72, you will see that there are some definite Rules laid down about when you make that decision, and what options you have got in subsequent years. So be a little bit careful about 'you can take as much as you want'.

3360 Deputy Luxon made the point about Proposition 10, we have heard that again, and as I say that is something that people may grasp today –

Deputy Brehaut: Sorry, I appreciate Deputy Langlois giving way.

I did not actually say you claim as much as you like; my inference was you get paid a salary, but really do not need to take it. That is, I think, a better interpretation of what I said.

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Deputy Langlois: We are not going to fall out about what you actually said. I think I quoted you roughly correctly, but I can see where you are coming from. The point is that there is another option in all this, and that is if you want to gain some moral high ground, or feel that you are doing the right thing, you can take the money and then distribute it, either back to the States as a charity, or to a charity or whatever. In that sense you can take as much as you like. In terms of how you actually square away with payroll, the Rules are going to be much clearer than in the past. That is all.

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Yes, Deputy Fallaize has made his point very clearly, what he thinks about Proposition 10 and so on.

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Deputy De Lisle rather confused me, because his statements about the economy were sweeping, and somewhat wild, and contradicts considerably some recent statements put out by the Treasury Minister and others. In terms of cuts in spending, the cuts in spending are there, they may largely relate back to the States' Review Committee numbers, but nevertheless they are there. The significant increase he refers to, I think people must realise or remember, that has been reported, not surprisingly, by the media as an increase. It is actually a re-classification of an expenses payment which we have been receiving, and which I have always been uncomfortable about, for eight years, because it was £2,000, it was tax free, it was unaccountable, and it was an expenses payment that effectively became another bit of salary. It has now been grossed up and put into salary, so that the newcomers will pay tax on it, and it looks right.

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So it is not actually an increase; it is a re-classification of some of the money paid. Once again it is being done that way as a simplification of the way money is handled. Because otherwise you get into vast administration of very small bills and receipts. So that is how that has been done.

In closing, sir, independent means independent. I know I have gone on about that, but I think it is important, I think it is being belittled here. It is very important that we recognise that. You have got the Propositions. This is what our Panel recommend, and I see no reason to oppose any of them.

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The Bailiff: The Propositions are on pages 86 through to 88. There have been two successful amendments. Proposition 4 has been amended by the Deputy St Pier/Deputy Perrot amendment, and a new Proposition 7A has been inserted by the Deputy Bebb/Deputy Wilkie amendment 'A'.

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I know we have had requests for separate votes on Proposition 6 and 10. Does anybody wish any other Propositions to be taken separately? No.

Deputy Fallaize: Could we have a recorded vote against 10 please.

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The Bailiff: A recorded vote against 10. What I propose then is we will vote first on Propositions 6, then on Proposition 10, and then we will take all the other Propositions together.

So, Proposition 6, I will just read it for the benefit of anyone listening on the radio.

⁶ That the remuneration of States Members, Non-States Members and attendance allowance for Alternative Alderney Representatives should be automatically adjusted annually on 1st May, based on any percentage change in median

earnings, as published in March each year. In the event of a negative change, no adjustment should be made. Should a percentage increase occur in the year following a negative change, the award shall reflect the percentage change from the year preceding the negative change.'

Those in favour; those against.

Members voted Pour.

3405 **The Bailiff:** I declare it carried.
Proposition 10, there will be a recorded vote, and again to read it for the benefit of anyone listening:

'10. To direct the Policy and Resources Committee to set up an independent review of the remuneration to be paid to States Members and Non-States Members not later than 1st May 2018; or at any other time in the event of a change in circumstances that has a significant effect on the roles and responsibilities of those Members.'

Greffier.

There was a recorded vote.

3410 **The Bailiff:** I will just pause while those votes are counted.
Deputy Perrot.

Deputy Perrot: Sir, is it too late for me to request there be a separate vote on proposition 4.

3415 **The Bailiff:** Proposition 4. Yes, we can have a separate vote on Proposition 4.

Deputy Perrot: Sorry, about that. I missed that the first time round.

The Bailiff: We will do that, when we have announced the result of the vote on Proposition 10.

Carried – Pour 32, Contre 12, Ne vote pas 1, Absent 2

POUR

Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Inglis
Deputy Sillars
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Langlois
Deputy Le Clerc
Deputy Gollop
Deputy Conder
Deputy Parkinson
Deputy Bebb
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Le Pelley
Deputy Trott
Deputy Laurie Queripel
Deputy Lowe
Deputy Spruce
Deputy Collins
Deputy Duquemin

CONTRE

Deputy Perrot
Deputy Burford
Deputy Soulsby
Deputy Luxon
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Robert Jones
Deputy Sherbourne
Deputy Lester Queripel
Deputy Fallaize
Deputy Le Lièvre

NE VOTE PAS

Deputy Harwood

ABSENT

Deputy Ogier
Deputy David Jones

Deputy Green
Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam

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The Bailiff: The result of the voting on Proposition 10 was 32 in favour with 12 against and one abstention. I declare Proposition 10 carried.

Now, there is a request for a recorded vote on Proposition 4, which is one of the amended Propositions, and I will read that out, and I will try and do so in its amended form.

'That the remuneration allowance paid to Non-States Members from 1st May 2016 should only be paid to the relevant Members of the Six Principal Committees, the Scrutiny Management Committee, the Transport Licensing Authority, the Development & Planning Authority and the States' Trading Supervisory Board, and should be (a) in the case of the States' Trading Supervisory Board £8,000 per annum; (b) in the cases of those other Committees £2,000 per annum.'

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So we will have a separate vote on that. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare that carried.

Now, unless there are any other requests for separate votes, we will vote on all the other Propositions together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

STATUTORY INSTRUMENT LAID BEFORE THE STATES

The Registration of Health Professionals Regulations, 2015

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The Bailiff: Now before we move on, I am afraid we need to go back to the Statutory Instruments laid before the States, because inadvertently, there was one Statutory Instrument that was not read out this morning. So we just need to go back and deal with that. Greffier.

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The Greffier: The Registration of Health Professionals Regulations, 2015.

The Bailiff: Again there has been no motion to annul, but just for the sake of the record, it seemed to me it was only right that that should be formally laid before the States, as it had not been done.

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So Greffier we move on to the next Article, please.

Billet d'État V

POLICY COUNCIL

I. Discretionary Financial Penalties under the Financial Services Commission (Bailiwick of Guernsey) Law, 1987 – Propositions carried

Article I

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 11th January, 2016, of the Policy Council, they are of the opinion:

1. To revise "The Financial Services Commission (Bailiwick of Guernsey) Law, 1987" as follows:
 - (a) to increase the maximum level of fines available to the Guernsey Financial Services Commission for licensees and former licensees (other than personal fiduciary licensees) from the current level of £200,000 to £4,000,000, with any fine over £300,000 being limited to a maximum of 10% of the turnover of the licensee/former licensee in question;
 - (b) to increase the maximum level of fine available for relevant officers and personal fiduciary licensees from £200,000 to £400,000 together with the inclusion of an additional criterion for consideration by the Guernsey Financial Services Commission, namely emoluments arising in respect of the relevant officer's or personal fiduciary licensee's position;
 - (c) to empower the Policy Council to make regulations which it considers to be appropriate in relation to discretionary penalties, and by way of example, these should include the meanings of "turnover" and "emoluments"; and the bandings of fines within the new maximum levels taking into account the factors specified in section 11D(2) of the Financial Services Commission (Bailiwick of Guernsey) Law, 1987, as revised by the above Proposition 1 (a) and 1 (b); such Regulations shall be made only after consultation with the Guernsey Financial Services Commission, the Policy and Finance Committee of the States of Alderney and the Policy and Performance Committee of the Chief Pleas of Sark;
 - (d) to require the Guernsey Financial Services Commission to issue and publish guidance as to its general approach to enforcement; and
 - (e) to include an enabling provision permitting the States to revise the provisions on fining powers in "The Financial Services Commission (Bailiwick of Guernsey) Law, 1987", by Ordinance.
2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.

The Greffier: Billet V – Article I – Policy Council – Discretionary Financial Penalties under the Financial Services Commission (Bailiwick of Guernsey) 1987.

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The Bailiff: The Chief Minister will open debate.

The Chief Minister (Deputy Le Tocq): Thank you, Mr Bailiff.

3450 The proposals of this policy letter come as a result of discussions with the Commission and industry through the Financial Services Forum, which started last spring, as work was being undertaken as a result of the Moneyval evaluators visiting the Island in preparation for the formal hearing which took place last autumn.

The proposals regarding increase in discretionary financial penalties are not overtly complex. In the light of the recent final Moneyval assessment, as I mentioned in my statement earlier today, it

3455 should come as no surprise that in order to respond effectively we will need to address these penalties, which have not been reviewed for a number of years, and have now fallen behind those of similar jurisdictions.

3460 It is also important that we do so to meet international standards. The States has long supported meeting those standards in order for our businesses to do business globally we will be expected to meet all of these standards. We must be mindful that compliance with international standards, and the comfort everyone outside the Island takes from this, also helps to protect our access to markets, including EU markets. We cannot stand still, and must continually do our best to keep step with expectations. The proposals in this policy letter do just that.

3465 Nevertheless, there is always a balance to be drawn between the regulatory risks, and the risk of keeping Guernsey an attractive place to do business. The Policy Council through FEPG has sought to negotiate such a balance with all parties, and this is what is presented to the Assembly now. Not everyone will be happy with this, but GIBA and GAT have actively participated in the discussions over fees, and the increases in fines, and this represents the balance we have struck. The need for proportionality in fines for businesses, as well as personal fines was a key part of
3470 GIBA's arguments in reaching the proposed position before us today. It is important to recognise the policy letter does not in any way change any of the powers of GFSC, or the working operations, and clauses 5.2 and 5.4 describe the powers already in existence.

Sir, I am happy to answer questions, but I ask that the Assembly approve the Propositions before us.

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The Bailiff: Is there any debate? No.

We go straight to the vote then. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

Billet d'État I

ENVIRONMENT DEPARTMENT

XII. Review of the Land Planning and Development (Use Classes) Ordinance, 2007 – Propositions carried

Article XII

The States are asked to decide:-

Whether, after consideration of the Policy Letter dated 27th October, 2015, of the Environment Department, they are of the opinion:

1. To approve the proposed amendments to reduce the number of use classes in the Land Planning and Development (Use Classes) Ordinance, 2007 and to increase the number of change of use exemptions in the Land Planning and Development (Exemptions) Ordinance, 2007 and any necessary consequential amendments to other legislation as set out in that Policy Letter.

2. To rescind their Resolution of the 12th December, 2007 of Billet d'État No. XXV of 2007, Article III, paragraph 1 noting "the limited circumstances in which planning covenants will be used as set out in that report".

3. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

3480 **The Greffier:** Billet I – Article XII – Environment Department – Review of the Land Planning and Development (Use Classes) Ordinance, 2007.

The Bailiff: Debate will be opened by Deputy Burford.

Deputy Burford: Thank you, sir.

3485 In accordance with recommendations made in the 2008 Report by former England and Wales Chief Planning Inspector, Chris Shepley, into Guernsey's planning service, the Environment Department has undertaken a thorough and comprehensive review of the current Land Planning and Development (Use Classes) Ordinance, which was approved by the States in 2007 and came into force alongside the current Land Planning and Development Law in April 2009.

3490 The Use Classes Ordinance contains a number of different categories of land use, and confirms that a change of use between two different use classes is a material change of use requiring planning permission, and that a change of use within each defined class is not classed as development for which planning permission is required under the Law.

3495 The Use Classes Ordinance also contains a list of specific uses which do not fall within any class. These are known as *sui generis* uses. Planning permission is required for a material change of use, either to or from a *sui generis* use.

3500 The current 2007 Use Class Ordinance contains 44 separate use classes. For purposes of comparison, its predecessor Ordinance of 1991 contained 60 separate use classes, indicating that a significant reduction in the number of classes had already been achieved prior to the Shepley Report being published. Nevertheless, following a review of the current legislation and consultation with appropriate stakeholders, the Environment Department has identified scope to further simplify the Ordinance, and its proposals will reduce the number of use classes from 44 to 28. The details of the proposed changes to the use classes are clearly laid out in the policy letter. In addition to the proposed changes, some changes are also proposed to the 2007 Land Planning and Development (Exemptions) Ordinance, to expand the number of permitted changes between classes.

3510 Overall, the proposals will result in a considerable simplification of the current legislation, by reducing the requirement for planning applications to be made for certain changes of use. In particular, the changes proposed to the industrial and storage use classes and the increased ability to change use without the need for planning permission should improve the operation of the commercial market for industrial and storage distribution premises and have consequent economic benefits for the Island, without any significant adverse impacts on amenity or the environment.

3515 The Environment Department is also recommending the rescission of a previous States' Resolution which effectively implied that planning covenants for securing affordable housing would only be applied on Housing Target Areas. The rescission is to reflect the changes to strategic policy in relation to applying planning covenants on larger private market sites, set out in the Strategic Land Use Plan, as approved by the States in November 2011.

3520 This element of the Department's proposal amounts to good housekeeping, as the Resolution in question has been superseded by subsequent States' approved strategic policy contained within the Strategic Land Use Plan. Furthermore, the 'Housing Target Areas' designation to which it refers will cease to exist in the near future, on replacement of the current Urban Area Plan.

3525 The Department has consulted widely with other States' departments and stakeholders and has undertaken public consultation on the proposed changes to the Use Classes and Exemption Ordinances. The board of the Commerce & Employment Department has confirmed that it welcomes the proposed simplification of the current Ordinance, which it states:

'has the potential to make it easier and more affordable for businesses to undertake development necessary for their commercial success.'

The other departments consulted have also indicated their support for the proposals.

3530 The main purpose of this policy letter, therefore, is to seek the approval of the States to amend the Ordinance, and to make associated amendments to the Exemptions Ordinance and any other consequential amendments to planning and other legislation. They will result in significant further reduction in the number of classes, and increase the potential for change of use without the requirement for planning permission.

The Environment Department commends its proposals and seeks States' approval of the relevant Propositions.

3535 Thank you.

The Bailiff: There is one amendment, proposed by Deputy Soulsby, to be seconded by Deputy Luxon. Deputy Soulsby.

Amendment

To delete proposition 2 and replace with the following;

'That, as a consequence of an extant resolution dated 30th September 2015 (Billet d'État No. XVI of 2015, Article XV) whereby the Housing Department and Treasury & Resources Department were instructed to commission an independent broad-based review of the local housing market and which, as part of its terms of reference, included 'an appraisal of the various options available for Government intervention in the Housing Market including what effect the various measures may have on housing affordability and housing availability', it would not be appropriate to consider rescinding the resolution of 12th December 2007 of Billet d'État No. XXV of 2007, Article III until such time as the findings of that report have been published.'

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Deputy Soulsby: Yes, sir.

Could the Greffier read the amendment out please, sir?

The Bailiff: Yes.

The Greffier read out the amendment.

3545 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, yes, this is a very simple amendment and merely retains the current situation – indeed, the situation we have been in for the last five years. Having considered the implications, I consider the current Proposition to rescind the Resolution of 2007 to be dangerous, and it could create unintended consequences.

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I should make it clear that I support the rest of this policy letter – that is, the bit that relates to the title, a review of the Land Planning and Development (Use Classes) Ordinance, 2007. Proposition 2 is nothing to do with amending that Ordinance. It relates to a Resolution of the States in 2007, arising from a policy letter on planning covenants.

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Given the significant concerns expressed at the recent planning inquiry over the use of planning covenants and the fact has yet to be decided by the States, why choose now to rescind the Resolution?

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I have spoken to the senior planning officer in the department, and Deputy Luxon, and myself, have also been given extensive background information from the Law Officers before deciding to lay this amendment. I thank them for their time, but nothing we have heard answers why this present situation, which has existed for some time, needs to be changed now.

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The argument in support of Proposition 2 seems to be, 'Well, since 2011 we have the SLUP which gives it strategic direction, and everything is going to change with the new Island Development Plan, so let's rescind the Resolution of 2007 as it could cause confusion.' However, this is jumping the gun, and will only create more confusion, and I will explain why.

In 2007 the States debated a policy letter on planning covenants, and in that letter it stated that and I quote:

'It is important that any such system is introduced with caution in order to avoid any unintended consequences and the pitfalls experienced elsewhere and to ensure it is tailored to local circumstances.'

It went on to say:

'The wider application of planning covenants would place a heavy demand on staff resources to establish associated policy documents, guidance notes and appeal procedures and thereafter to operate and update complex systems of quotas and appraisals and to deal with appeals.'

3570 It was because of these concerns that the then States decided that planning covenants should be restricted to Housing Target Areas. Now, four years later the SLUP comes along and its states that, and I quote again:

'Appropriate levels of provision of social and/or specialised housing on large general market sites may be required through the use of planning condition or covenant and established through a specified mechanism.'

Now we have the Land Planning and Development (Planning Covenants) Ordinance 2011, which states that planning covenants can be used for social and affordable housing. But there is nothing yet in place setting out any other mechanisms. As it says in the SLUP:

'A mechanism for assessing the appropriate circumstances for triggering the inclusion of social and/or specialised housing will be clearly set out within the Development Plan.'

3575 Yes, the draft IDP sets out that planning covenants should apply to all developments of five units or above, but it is just that – draft. We are awaiting the Planning Inspector's Report and the Plan to come to the States. Whilst SLUP may be supportive of not having Housing Target Areas (HTAs), we await the final decision of the States on the new Island Development Plan before knowing what the new world is going to be. So the effect of Proposition 2 could be to create just
3580 more confusion.

The SLUP also states that, rather than setting prescriptive target levels for social and/or specialised housing, it will instead be for the Housing Department in conjunction with the Environment Department to determine any form of development plan through the analysis of existing relevant data sources. I do not think I need to remind Members that in September last
3585 year, we had the Housing Department present a policy letter setting targets, which it wished to place on such housing, in contravention of the SLUP.

A proposal that was rejected in favour of the commissioning of an objective Housing Needs Survey that will inform the departments as to need, and this States agreed at the same meeting to an independent broad based review of the Local Housing Market, which will also inform the
3590 benefits, or otherwise, of planning covenants. We have not got those now, and in that place we have a vacuum, so if Proposition 2 is to be passed, planning covenants could be imposed unnecessarily. This will not prevent affordable housing being built, of course, as we have recently seen applications and land purchases for the GHA and, of course, planning covenants are not needed for States' owned land.

3595 Now the SLUP is five years old, and based on a 10-year-old report, whose assumptions have since been discredited by experiences elsewhere. So how can it be assumed, which the Proposition does, that the draft IDP will remain unchanged in respect of planning covenants?

3600 So, why rescind the Resolution now, before the States has agreed how it wishes planning covenants to operate in the future or has had proper review into the effect of planning covenants in the current market?

The construction industry is in a fragile state at the moment. There are real concerns about how planning covenants may be extended in the future. Proposition 2 has already created unease, especially as it has been seen to have been slipped in under the radar without consultation. It is not essential that we support Proposition 2 now, and it should not be supported now, until we

3605 have the evidence to determine the extent to which planning covenants should be used in the future.

To avoid unintended consequences, and to avoid confusion, I request Members to support this amendment.

3610 **The Bailiff:** Deputy Luxon, do you second the amendment?

Deputy Luxon: Yes, sir.

The Bailiff: Deputy Burford, do you wish to speak at this point?

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Deputy Burford: No, sir. I will speak later, thank you.

The Bailiff: Thank you.

Deputy Hadley, were you rising? Deputy Hadley.

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Deputy Hadley: Mr Bailiff, Housing is gravely concerned that this amendment, if successful, would jeopardise the department's affordable housing programme. The department fully supports the Environment Department's proposed affordable housing policy which, if implemented, will allow the States to secure a percentage of privately owned land for affordable housing. Such a policy will help meet the Island's ongoing need for social, rented, and partial ownership housing – a need evidenced by the affordable housing waiting lists maintained by the Housing Department and the GHA.

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The affordable housing policy relies on the application of planning covenants. It appears from the wording of the amendment that Deputy Soulsby intends for the use of planning covenants to continue to be restricted to Housing Target Areas, and for any decision on their wider application to be postponed, pending a debate on the results of a broad-based review of the Local Housing Market.

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As Deputy Soulsby is well aware, the scale and complexity of the Housing Market Review is such that it cannot be completed and presented, to the States before the end of this year. Housing will make a more detailed statement on the timing of the review in due course. The affordable housing policy will, however, be debated by the States in the autumn. If Deputy Soulsby's amendment is approved today, and if later in the year the affordable housing policy is also approved, there is the possibility of the policy collapsing because planning covenants are still restricted to Housing Target Areas.

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It seems that this amendment is really about thwarting the affordable housing policy, an opening salvo in a battle that is scheduled to take place in the autumn. The Environment Department has consulted widely, and extensively, on the Island Development Plan, and the policies within it, including the affordable housing policy. Once they have considered the results of this consultation exercise, and the planning enquiry, the new Committee for Infrastructure and Environment will bring the Island Development Plan proposals to the States in the autumn. That is when Members will have an opportunity to argue for or against the affordable housing policy, not now.

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So, I would urge Members to oppose this amendment.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I am sure in responding to the debate that the Minister will explain why she and her department believe that their Proposition is required. I would be grateful if, perhaps in summing up, Deputy Soulsby could explain what acceptance of this amendment would do over and above simply rejecting the Proposition. It does not seem to me that it adds a lot that rejecting

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the Proposition would not achieve. So I would be grateful if perhaps she could address that when she speaks.

The Bailiff: Deputy Kuttelwascher.

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Deputy Kuttelwascher: Thank you, sir.

Sir, one of my functions on the Treasury & Resources Department is to chair what they call a Construction Sector Group, and believe me, the message from them is this. They will not take part in developments which might become subject to the sort of covenants that are being proposed. So, you can assume that they will not develop any sites of more than five houses, and they are totally opposed to this.

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I am just passing on that message, and for that reason, I will be quite happy to support this amendment, or alternatively vote against Propostion2, whichever. But that is the message from the private sector.

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Now, it may be an idle threat, it may not, but that is the message, and I am quite happy to pass it on.

Thank you, sir.

The Bailiff: Deputy Brehaut.

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Deputy Brehaut: Just specifically, sir, on covenants. We know that one of the problems of building on Guernsey is the value of land to the ratio of properties that you can get on the land. Therefore we tend to find developments that are overgenerous, disproportionate, because there is an assumed market. Covenants give the genuine opportunity to ensure that that site is shared across the community, and covenants work very well, and are very powerful instruments in having, if you like, a certain, dare I say, democracy within the housing market. When we talk about first-time buyers, when we talk about people wanting to get a foot on the ladder, other than the GHA, you then have to ask yourself what tools do you have at your disposal to make it happen, and covenants are one of those such tools.

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Thank you.

The Bailiff: Deputy Luxon.

Deputy Luxon: Thank you, Mr Bailiff.

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Briefly, sir, I am happy to second this simple amendment, and I do fully support the policy letter. Sir, it is a simple amendment, its implication is simple, and its consequences are simple.

Deputy Soulsby has endeavoured to gain clarity from the Environment Department and Law Officers as to why rescinding the 2007 Resolution is important – without success. The resolving of a long-standing anomaly of over eight years, now in advance of the IDP debate, probably that will come before the Assembly in June or July this year, and also before the recently decided housing review debate scheduled for after then, is simply not necessary. The *status quo* is more logical.

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Sir, this Proposition No. 2, was not included in the consultation, so of course those interested bodies have not had a chance to discuss it or give feedback.

Sir, I am a member of the SLPG, and so have great and genuine commitment to the IDP process, of which the recent housing target debate, and this review of the Land Planning and Development (Use Classes) Ordinance, 2007 policy letter interrelate, hence supporting the amendment ensures our parliamentary process and timetable ensure matters are considered in the right and best order.

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So, please, sir, support this simple amendment to maintain the *status quo* for now, as fixing a minor long-standing anomaly, which in so doing may well have unintended consequences.

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Sir, just briefly in answer to comments Deputy Hadley made, for the last week or so, Deputy Hadley and I have been in complete agreement about virtually every matter that has come before

us, but I completely and utterly disagree with everything that he said, and in fact, a very senior and experienced Housing Department officer, who advised the Policy Council yesterday, was
3710 unable to confirm that the concerns that Deputy Hadley shared with you today were remotely correct.

What I would suggest, sir, is –

Deputy Hadley: On a point of correction.

3715 I do not think that is the case, sir, and the officer is not here to confirm that. Other Members were there.

Deputy Luxon: I can certainly confirm that that was the case, sir, because I listened carefully and made notes ready for this speech today.

3720 The point about unintended consequences. I would just briefly like to remind Members about the Population Management Regime and impact on the Open Market that happened because of some clumsy wording, and indeed the actions and words of two or three politicians, whereby the Open Market multiple-occupancy 'A' Class that gave some Members concerns, their concerns embroiled the entire Open Market in significant uncertainty, which has lasted over the last few
3725 years, and has caused significant damage to aspects of our economy.

What I would hate to see is that unintended consequences, not so much from this amendment today, but this amendment and indeed the 20% to 30% ceding of new development sites *could well* have a more dramatic impact on this Island's economic wellbeing, and it would be difficult to say this, than even the impact that was had on the Open Market.

3730 So, sir, I would ask Members to support this simple amendment maintaining the *status quo* until the Assembly or the future Assembly has more information.

Thank you, sir.

The Bailiff: Deputy Sherbourne.

3735 **Deputy Sherbourne:** Thank you, sir.

Members, here we are again: *status quo*, let's keep things as they are. This Assembly has failed miserably, and I put my hands up here as a Member of the Housing Board, in providing the number of houses that are required by the less fortunate in this Island, or at least the least
3740 wealthy.

Affordable housing is an admirable policy to be following. This suggestion by Environment is one that makes sense to me, and I would like to actually challenge a comment made by Deputy Kuttelwascher. I do not disagree that the construction industry may well have said that, in a meeting, but I would challenge them on it. There are 600 permissions to build to private
3745 individuals in this Island, and we are waiting for those houses to be built. They are in the hands of developers and builders. They are not doing it.

So it is not really surprise me that they said what they did. I would like to remind people of what the covenants actually mean. It means areas of land that has got permission to build, but the developer is agreeing that a percentage of that build would be affordable housing. What is wrong
3750 with that? To me, that is an admirable policy. It is one to go out and negotiate with the construction industry.

I said at the outset that we have failed. Well, I think we have failed because we have actually not been as proactive as we could have been. We have not gone out there, asked developers to come in and talk about possibilities. We have let market forces rule the day. Well, I think that we
3755 will rue the day that we failed to enable these people to get moving in the construction industry, and provide the sort of houses that are needed. We have got an incredible waiting list, on the GHA at the moment. The big problem for the Housing Board has been the lack of land. The States has not released it, it is not enabled land to be released for reasonable developments, and so Housing itself looks as though it has been marking time.

3760 Now, I personally am really still angry about that. There have been some incredibly good
things that have happened during this term. The partial care accommodation has been an
incredible asset to the Island. I think we need to enable Housing to get on, enable the GHA to
3765 continue, and they need land. Now this is just one suggestion by Environment that will help
Housing meet the sort of expectations that, if you like, people like myself are aspiring to. The next
Assembly will have that responsibility, but there is absolutely no reason at all why you have to
delay that process. We need to look at as many policies ... sorry, *initiatives*, as possible, to enable
the houses we need to be built.

3770 So, please, throw this amendment out, give Housing another period of time to work with
developers, and to provide houses. It is essential we get a move on, not wait, for some policy
which will be discussed at some stage in the next term.

Deputy Kuttelwascher: Point of correction, sir.

The Bailiff: Deputy Kuttelwascher.

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Deputy Kuttelwascher: Yes, Deputy Sherbourne said the States has not received or released
any land for housing. There have been two recent releases. One is Rue Marguerite, not far from
here; and the other one is the built area of the Castel Hospital offered, and that has been in the
last three months. So to say we have not released or offered land is just incorrect.

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Deputy Sherbourne: I accept that.

Deputy Kuttelwascher: Thank you.

3785 **Deputy Sherbourne:** I accept that that has been in the last three months. We are nearly the
end of this term, and we have not much to show for the last four years. That is the point.
Thank you.

3790 **The Bailiff:** Deputy Gollop. Oh, Deputy Stewart – you need to stand if you want to speak,
Deputy Stewart. Do you wish to – ? Deputy Stewart – otherwise I was going to call Deputy Gollop
who was standing.

3795 **Deputy Stewart:** I too, in common with Deputy Luxon, have been a member of the Strategic
Land Planning Group, and I will be supporting this amendment, for the very reasons that Deputy
Soulsby and Deputy Luxon made in their speeches.

I think this is a very blunt instrument, and I think there needs to be a lot more work done
around this, and understanding what policies ... and I think what we actually need, and this is
where Policy & Resources in the next term can bring some focus across several departments.
What we really need is a suite of policies. This is a very blunt stick, and I do not think it will do the
3800 job that we want to do, and I think it could have quite a few unintended consequences, some of
which the previous speakers have outlined.

3805 This Assembly already knows that Treasury & Resources and Commerce & Employment have
already been looking at the establishment of perhaps a States-owned bank, a Guernsey Savings &
Loan, where we could put some policies through. I think there are other areas where we could do
a lot more work. Personally, I would like to understand and see real evidence about why these 600
planning permissions have not been taken up, but maybe somebody just has to hit the phone for
a fortnight. But, we need to understand. There is so much anecdotal evidence going around, that I
hope that this is something that Policy & Resources in the next term can pick up from the get go,
knock some heads of some departments together, and come up with what I think is needed,
3810 which is a suite of policies. Some of them may be around planning, use it or lose it, but I do not
think one blunt instrument will solve this, and that is why I will support this amendment.

The Bailiff: Deputy Gollop.

3815 **Deputy Gollop:** Yes, it is not the easiest issue or policy report that we have got to look at. Of course, in a sense it goes back in time. It also looks forward to the what I think has been quite a rapid turn round with the Island Development Plan looking at the broader picture.

I do not doubt the wisdom of what Deputy Kuttelwascher says, that there is a certain pushback from the building and construction sector, and that is possibly reflected too across parts of the architecture and surveying field.

3820 But, of course, we have to start somewhere. I think perhaps the Assembly ... in a way, I admire the radicalism of Deputy Sherbourne who is putting us in the picture here, that maybe our current model of sitting back and waiting for the Housing Association who do a first-class job, or indeed the private sector to develop, is not quite the way forward. Going back in time we had a more proactive States with property development, and I suspect, in the future we will need to see the States acquiring these sites from the private sector, and building direct. That will be a tricky measure, might require financial kick-starting along the Savings & Loan, or other initiatives. I do not think we can afford to lose the commitment we have to the overall point that we need to gain more social housing, more affordable housing, and not just leave sites in a situation whereby they are either not developed, or they are developed exclusively for very small, and possibly land wasteful, executive housing schemes.

3830 Work is in progress and it would be silly to reverse the policy at this stage.

Deputy Hadley: Mr Bailiff.

3835 **The Bailiff:** Deputy Hadley.

Deputy Hadley: I know it is a bit unusual but could I clarify the point of correction that I made, because Deputy Luxon has –

3840 **The Bailiff:** There is no Rule that allows you – unless you are saying that you misled the Assembly earlier and that you need to correct what you said earlier.

3845 **Deputy Hadley:** Well, this was an important speech that was delivered on behalf of the department, and the officer that was at the Policy Council, who was quoted a few moments ago, in fact, was the Chief Officer of Housing who has vetted this speech. Constructing this speech was made with the help of the Chief Officer of Housing, who Deputy Luxon alleges did not confirm what I said in my speech.

3850 **The Bailiff:** Yes, Deputy Burford. (*Interjection by Deputy Burford*) Yes, Deputy Spruce is not standing, unless you wish to – you stood earlier, then you did not get up again.

Deputy Spruce: You did not call, sir.

3855 **The Bailiff:** Well, no, the Rules say that you must stand, and I will call you if you stand. I have been asked to apply the Rules very strictly, and that is what I am going to do.

So, I will call Deputy Spruce and then if you are standing next, I will call you.

Deputy Spruce: Thank you, sir.

3860 I will keep this very brief. I fully endorse the Environment Department's request to amend the Use Classes Ordinance, and to extend the change of use classes in order that the HTAs can be developed. I think that goes without saying.

However, I ask you to take serious note of Deputy Soulsby's amendment. She is entirely correct in raising concern over the application of housing covenants. We still have not approved the Land

3865 Use Plan. We therefore, in my view, must not just nod through a recommendation, this recommendation (b) in this policy letter, until a more structured debate is held over the use of planning covenants. Their use could significantly affect the future development of new builds on Guernsey. So it is a serious matter, and one that should not just be nodded through.

3870 To suggest that the building industry have been adequately consulted is also not correct. I have had a number of phone calls, I know Deputy Soulsby has, and the building industry – in fact this is the builders on this Island that develop most of the houses – are extremely concerned about this proposal.

So, I ask you all please reject recommendation (b) and await the outcome of the review which we have already agreed should take place.

Thank you.

3875

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

3880 Could I start by asking Her Majesty's Comptroller, please, if there are any legal implications from this amendment.

3885 **The Comptroller:** Sir, yes this is a complex area, particularly as it involves the planning covenants, and although the amendment has been described as a simple amendment, and it is a straightforward amendment, the issue from the legal side is that, and this has been used for the amendment as well, there may be potential inconsistencies and confusion that arise out of the amendment.

3890 Now, just to boil it down, perhaps, if I can – it is a slightly complex area. At the moment, and as is noted in the policy letter, the Strategic Land Use Plan also has particular requirements in relation to planning covenants, and the Strategic Land Use Plan is, in effect, a form of statutory guidance, because under the Environment Law the officers in the Environment Department must have regard to the requirements and the issues that are raised in the Strategic Land Use Plan. So, at the moment, as the Department has highlighted in its report, the 2007 Resolution is currently inconsistent, and arguably inconsistent with the Strategic Land Use Plan, so that is an inconsistency, one of the reasons why the department wanted to rescind that 2007 Billet.

3895 But there is also another issue, in that the amendment as worded, although it does look fairly straightforward, because it is suggesting that the States should wait until the report on the Local Housing Market is published, this potentially has the effect that when the IDP policies are brought back before the States, and the likelihood at the moment is that will be before the Housing Report is published, the IDP policies will decide the policy against which planning applications must be determined under the Planning Law. So, there is a possibility then that the 2007 Resolution might not only be inconsistent with the Strategic Land Use Plan, but also potentially with the IDP Plan, so the reason really that this could lead to potential unintended consequences using the same terms that are supportive for the amendment, but it is a possibility, because this Billet is already flagging up an inconsistency with the Strategic Land Use Plan. That inconsistency may be given further effect if the IDP comes back to the States before the Local Housing Report is published, so there could be another reason for inconsistency with the 2007 Billet.

3905 Last, but not least, as is noted in the policy report at paragraph 6.6, the 2007 Resolution is perhaps not as clear as it should have been when it was drafted. At the moment there is an inference that those planning covenants would only be applied in limited circumstances, and so, therefore if that Resolution remains, that inference is still there.

3910 So, really, to try and cut it short, those are three principal reasons why it is thought it would be much, much clearer to rescind the 2007 Resolution now, not retain the current *status quo* because the legal view is that there is a greater risk of confusion and potential uncertainty that would arise if the amendment is passed.

3915

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

3920 The department is strongly against this amendment. A better course of action, if people are uncomfortable, if Deputies are uncomfortable with it, would be simply to vote against Proposition 2, but I will try and explain why the department would like you to support all of the Propositions as in the Billet.

3925 We are concerned about the effect of this amendment, if it is approved, and whether it could lead to future confusion as to what is the adopted policy of the States in relation to the circumstances in which the planning covenants may be used as a mechanism for securing affordable housing contributions from developers. The reasoning behind this Proposition was to make the position clear to developers of private land, that in the interim period between now and the adoption of the IDP, in view of the inconsistency between the 2007 policy and the provisions in the Strategic Land Use Plan.

3930 The department also has concerns that the wording of the proposed replacement Proposition could be misleading, as it would suggest that the 2007 policy could not change until the report directed by the September 2015 Resolution was published. Whereas if the affordable housing policies are adopted in the IDP, these would, in effect, supersede the 2007 policy. It is likely that the IDP will come to the States for consideration in September 2016, and this will be before the Housing Report.

3935 Finally, the department has a concern that the Land Planning and Development (Guernsey) Law 2005, in effect, requires that the IDP take into account, and be consistent with, the Strategic Land Use Plan, so to ensure consistency with the Law, and avoid confusion as to the strategic policy of the States. The most appropriate approach, if there is a concern relating to the affordable housing policy, would be first to seek an amendment to the strategic policy in the Strategic Land Use Plan, rather than to lower level policy.

3940 Some further details on these points. Our reasons for recommending the rescission of the 2007 Resolution: one of the reasons for recommending this is that the Resolution is inconsistent with the Strategic Land Use Plan which states:

'To meet the aims and objectives of this Plan it will be necessary for the development plans to make allowance for a proportion of social and/or specialised housing to be secured through planning covenants or by condition on larger private development sites.'

3945 And later:

'Development plans will make provision for social and specialised housing. Appropriate levels of provision of social or specialised housing on larger general market sites may be required through the use of a planning condition or covenant established through a specified mechanism.'

In contrast the 2007 Resolution noted the limited circumstances in which planning covenants would be applied to secure affordable housing as set out in the 2007 Billet, i.e. only on sites already designated as Housing Target Areas, and not generally on larger private sites. Of course, Housing Target Areas will cease to exist under the IDP.

3950 The current draft Island Development Plan is consistent with the Strategic Land Use Plan and sets out the policies for securing affordable housing contributions on larger sites in private ownership. The Island Development Plan is likely to come to the States in September, as I have said. The adoption of those policies as part of the plan would, in any case, supersede the 2007 policy on affordable housing, if not already rescinded as proposed.

3955 So, I think most of the other points I have here have been covered by Deputy Hadley, so I will not repeat them, but I would just like to pick up on some of the points that other Members have made.

I think, I am rather concerned because this seems to have morphed very quickly into a debate on planning covenants, and clearly that is matter that has been of great interest to some people.

3960 To say it has not been consulted on, I do not think is reasonable. I think there has been significant consultation, and more to the point, there has been an Independent Planning Inspector's Inquiry, at which people have been able to speak and express their views

Deputy Luxon: Point of correction, please, sir.

3965 What I said was that the rescinding had not been included in the consulting process.

Deputy Burford: I was not referring to Deputy Luxon's comments. I think somebody else made the same comment, sir. But nevertheless, there has been significant consultation on that matter. The issue of planning covenants is currently one for the Independent Inspector's Inquiry Report, which will report to the Environment Department. The board will then consider the recommendations of the Planning Inspector, and the next department will then bring forward the new Island Development Plan to this Assembly in September, for consideration by the Assembly, and it is at that point the Assembly will have the opportunity to debate the provisions for affordable housing, and covenants on developments of five or more units, and that is the time for that debate.

3970
3975 I rather feel that this amendment is being used as a Trojan horse by those who are unhappy with the proposals in the draft Island Development Plan, and I do not think that is necessarily appropriate.

3980 So what I would ask people to do is to reject the amendment, but if you are unhappy with the rescission of the provision that is outlined in Proposition 2, to simply vote against that.

Thank you.

The Bailiff: Any further debate? No.

Deputy Soulsby will reply.

3985

Deputy Soulsby: Thank you, sir.

3990 Deputy Hadley is talking about need, and the need for affordable houses. Well, the waiting list does not constitute need, that is why we are having the Housing Needs Survey, so we actually know what our needs for affordable housing are – a Housing Needs Survey, which I do not believe that Deputy Hadley thought we should have.

Scale and complexity of review, yes. But again, it is about understanding what our affordable housing needs are, and really a wider view of our Local Housing Market.

3995 Both Deputy Hadley and Deputy Burford talked about being consulted on the IDP. Well, that is true, but it is draft. People have gone to the enquiries, made their views known, but we have yet to see the Inspector's Report; yet to see the Island Development Plan come to this States; yet to see the Housing Needs Survey; yet to see a Review of the Local Housing Market.

4000 Deputy Kuttelwascher, yes, the construction industry is very much against planning covenants, and no, this debate is not really about the merits or otherwise of planning covenants. It is about the timing of events. So regarding comments about the value of planning covenants, yes, I am not against them. It is just the principle of this Proposition 2 being submitted at this point in time.

4005 Deputy Sherbourne talks about *status quo*, and here we go again, *status quo*, but it is his department that has not done anything to change the current situation. All it wants is more of the same. The reliance on using the GHA to provide affordable housing. Why are there planning permissions outstanding? Well, that is what the review will help us with. I say, because the market is fragile, and there is not the finance out there.

He speaks about negotiation. There has been no negotiation, in the draft IDP it just said we want for those developments with five-plus units, 20% to 30% of that land needs to be given away. The construction industry is not happy about that. There has been no negotiation.

4010 Deputy Kuttelwascher is right regarding sites recently being made available. By supporting this amendment, that housing can continue still to be built.

We need to look at all initiatives to get houses to be built, Deputy Sherbourne.

Deputy Sherbourne says what little has been seen this last term. Well, my point exactly – why hasn't Housing Department come to the States requesting the release of land?

4015 Thank you, Deputy Stewart, I think Members should note that this amendment is not only supported by a Member of the SLPG, but is also seconded by one.

Deputy Gollop, thanks, I am not quite sure what point you were making, to be perfectly honest!

Thank you Deputy Spruce.

4020 I thank the comments of Her Majesty's Comptroller, and I think really, we heard quite often the word potential. There could be potential problems *when* the IDP is brought in, but it assumes that the IDP will end up being similar to the draft IDP. That, again as I said in my opening speech, is a big but, given all the issues and concerns surrounding planning covenants. No, the time to lay an amendment is not later; it is now, to prevent confusion, and very real, and unintended consequences. There has been no consultation. In terms of the Planning Inquiry, yes, views have
4025 been given, but again, as I said, we have yet to see the Inspector's Report, or had the IDP for debate, Housing Needs Survey, or a Review into the Local Housing Market.

Proposition 2 is the Trojan horse. It is jumping the gun, and should be rejected, and I urge Members to support this amendment.

4030 **Deputy Hadley:** On a point of correction, Mr Bailiff.

The Bailiff: Deputy Hadley.

4035 **Deputy Hadley:** I was not against the Housing Needs Survey. Deputy Soulsby placed an amendment before the Assembly saying this would be a survey which would not cost anything. We now know it is going to cost around £200,000 and that is why I felt, we, the department could not afford the survey.

4040 Also, as far as the Department of Housing not coming to the Assembly for land, the Assembly has gone through the correct procedures of going to the Treasury Department for the release of land, and there have been a number of meetings with the Treasury Department to get land released for the use of the Housing Department to build affordable housing, and some of these are now in the public domain.

4045 **The Bailiff:** Well, Members, we vote then on the amendment, proposed by Deputy Soulsby –

Deputy Soulsby: Could we have a recorded vote, please, sir.

The Bailiff: There is a request for a recorded vote.

There was a recorded vote.

Not carried – Pour 22, Contre 22, Ne vote pas 0, Absent 3

POUR

Deputy Perrot
Deputy De Lisle
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Luxon
Deputy Quin
Deputy Kuttelwascher
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc

CONTRE

Deputy Brouard
Deputy Wilkie
Deputy Burford
Deputy O'Hara
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Brehaut
Deputy Gollop
Deputy Sherbourne
Deputy Conder

NE VOTE PAS

None

ABSENT

Deputy Ogier
Deputy Le Tocq
Deputy David Jones

Deputy Lester Queripel	Deputy Parkinson
Deputy Stewart	Deputy Bebb
Deputy Trott	Deputy St Pier
Deputy Laurie Queripel	Deputy Gillson
Deputy Lowe	Deputy Le Pelley
Deputy Spruce	Deputy Fallaize
Deputy Collins	Deputy Le Lièvre
Deputy Duquemin	Deputy Dorey
Deputy Green	Deputy Paint
Deputy James	Deputy Adam

4050 **The Bailiff:** For those who are wondering where the Chief Minister is, he has had to go to hospital because an uncle of his has been admitted to hospital, having had a stroke, and is only speaking Guernsey French, so he has gone to assist with the translation. So that is why he is not here.

4055 Well, Members, there are 22 votes in favour, and 22 votes against, on the amendment proposed by Deputy Soulsby and Deputy Luxon. So pursuant to section 1(5)(a) of the Reform (Guernsey) Law 1948 as amended, I have to declare that the amendment is lost.

Is there any general debate? Deputy Soulsby.

4060 **Deputy Soulsby:** Yes, sir, bearing in mind the amendment, which ... well, it did not narrowly lose; it tied, I would request, as Deputy Burford said earlier, people might not have supported the amendment because of certain elements within it, but I would certainly recommend that people vote against Proposition 2.

The Bailiff: Any further debate? No.
Deputy Burford, do you wish to reply?

4065

Deputy Burford: Yes, sir, I have got nothing further to add, except to ask Members please to support all three Propositions.

Thank you.

4070 **The Bailiff:** The Propositions are on page 116. We will take them in order.

Deputy Soulsby: Can we have a recorded vote on Proposition 2, please, sir.

4075 **The Bailiff:** We will vote on Proposition 1 first. Just to allow people a moment to turn up Proposition 1. Proposition 1. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.
A recorded vote on Proposition 2, which is:

To rescind their Resolution of the 12th December, 2007 of Billet d'État No. XXV of 2007, Article III, paragraph 1 noting "the limited circumstances in which planning covenants will be used as set out in that report".

When you are ready, Greffier.

There was a recorded vote.

Not carried – Pour 17, Contre 24, Ne vote pas 0, Absent 6

POUR

Deputy Brouard
Deputy Wilkie
Deputy Burford
Deputy O'Hara
Deputy Hadley
Deputy Brehaut
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Parkinson
Deputy Bebb
Deputy Gillson
Deputy Le Pelley
Deputy Fallaize
Deputy Le Lièvre
Deputy Dorey
Deputy Paint

CONTRE

Deputy Perrot
Deputy De Lisle
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Quin
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Kuttelwascher
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Lester Queripel
Deputy St Pier
Deputy Stewart
Deputy Trott
Deputy Laurie Queripel
Deputy Lowe
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy James

NE VOTE PAS

None

ABSENT

Deputy Luxon
Deputy Harwood
Deputy Ogier
Deputy David Jones
Deputy Le Tocq
Deputy Adam

4080

The Bailiff: Members, the result of the voting on Proposition 2, was 17 in favour and 24 against, I declare the Proposition lost.

Finally, Proposition 3:

To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

Those in favour; those against.

Members voted Pour.

4085

The Bailiff: I declare it carried.

We will rise now and resume tomorrow at 9.30 a.m.

The Assembly adjourned at 5.31 p.m.